A/50/7/Add.1-16

United Nations

Advisory Committee on Administrative
and Budgetary Questions

SECOND TO THIRTEENTH REPORTS ON THE PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997 AND FOURTEENTH TO SEVENTEENTH REPORTS ON THE PROGRAMME BUDGET FOR THE BIENNIUM 1996-1997

General Assembly
Official Records • Fiftieth Session
Supplement No. 7A (A/50/7/Add.1-16)

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United Nations • New York, 1997

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ISSN 0255-1470

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Second report

Administrative expenses of the United Nations Joint Staff Pension Fund

[Original: English]

[13 October 1995]

I. INTRODUCTION

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Standing Committee of the United Nations Joint Staff Pension Board on the administrative expenses of the United Nations Joint Staff Pension Fund (A/50/312), submitted to the General Assembly at its fiftieth session. During its consideration of this item, the Committee met with the Chairman of the Standing Committee of the Board, the Secretary of the Board and, with regard to audit operations and investments of the Fund, with the representatives of the Secretary-General.

2. The report of the Standing Committee of the Board is submitted pursuant to the provisions of General Assembly resolution 46/220 of 20 December 1991. In that resolution, the Assembly decided to consider the item "United Nations pension system" only in even-numbered years (that is, the non-budget years), with the understanding that the review and approval of all matters related to the expenses of the Fund, including the biennial budgets of the Fund, would be taken up by the General Assembly as a sub-item under the agenda item for the United Nations biennial programme budget.

3. In order to conform to resolution 46/220, the Board decided to adjust its work programme and, accordingly, informed the General Assembly, in its report to it at the forty-seventh session,[1] that the Standing Committee of the Board was authorized to meet in odd-numbered years (that is, the budget years) to deal, *inter alia*, with the review of the administrative budget of the Fund and, accordingly, to submit recommendations to the General Assembly. In its resolution 47/203 of 22 December 1992, the General Assembly took note of the additional responsibilities delegated to the Standing Committee of the Board.

4. The report of the Standing Committee includes the revised budget estimates for the biennium 1994-1995 and the budget proposals for the biennium 1996-1997. The Committee notes, from paragraph 27 of the report, that the Standing Committee requested the Secretary of the Board to submit to the General Assembly the budget proposals for the biennium 1996-1997, as presented to the Standing Committee by the Secretary of the Board, including the staffing proposals of the Investment Management Service. As indicated in paragraph 21 of the report, the Standing Committee's review of the administrative budget of the Fund focused mainly on the proposals relating to the internal audit requirements of the Fund and the staffing resources requested for its investment management.

II. REVISED BUDGET ESTIMATES FOR THE BIENNIUM 1994-1995

5. The Advisory Committee notes from paragraphs 10 and 11 of the report of the Standing Committee that the revised estimates for the biennium 1994-1995 amount to $40,517,600, comprising $13,309,400 for administrative costs and $27,208,200

for investment costs. The revised estimates reflect an increase of $835,500 over the approved 1994-1995 estimates of $39,682,100. The Advisory Committee also notes, from paragraphs 12 and 14 of the report, that the proposed increase in administrative costs relates mainly to the provision of $300,000, endorsed by the Standing Committee in order to extend to the staff members of the Fund the early separation programme approved by the General Assembly for United Nations staff, as well as a net increase of $525,500 for investment costs, required under the contractual arrangements for advisory and custodial services.

III. BUDGET ESTIMATES FOR THE BIENNIUM 1996-1997

6. As indicated in paragraph 16 of the report of the Standing Committee, the administrative budget proposal of the Fund for the biennium 1996-1997 amounts to $40,601,700, as compared with the approved budget for 1994-1995 of $39,682,100 and revised proposal for 1994-1995 of $40,517,600. The budget proposal comprises administrative costs of $13,740,000 and investment costs of $26,861,700.

Administrative costs

7. The Advisory Committee notes from paragraphs 16 and 17 of the report of the Standing Committee that the proposed administrative costs of $13,740,000 comprise $12,823,700 in recurrent administrative costs and $916,300 in non-recurrent costs. The recurrent administrative costs are estimated at approximately 0.19 per cent of the estimated total pensionable remuneration. Upon enquiry, however, the Advisory Committee was informed that, based on past experience, it was expected that the actual ratio of recurrent administrative costs to the actual total pensionable remuneration would be in the neighbourhood of 0.18 per cent of the pensionable remuneration, in line with the provision estimated for administrative costs in the actuarial valuation of the Fund since the 1986 valuation. The Advisory Committee notes from paragraph 32 that, as presented to the Board in 1991, for the biennium 1994-1995, the initial estimate of administrative costs was 0.187 per cent of the estimated total pensionable remuneration for the biennium; however, these were reduced to 0.166 per cent in the revised budget for the biennium 1994-1995. The Advisory Committee expects to review the actual budget performance ratios of the administration of the Fund in the context of its examination of the report of the Board to the General Assembly at its fifty-first session.

8. As shown in table 4 and explained in paragraphs 56 to 59 of the report of the Standing Committee, under the administrative costs of the Fund, the budget proposal for the biennium 1996-1997 includes staffing requirements of 106 established posts for the secretariat of the Fund (34 Professional and 72 General Service posts). These include three additional established posts: two posts in New York (1 P-4 and 1 G-7) and one General Service post in Geneva, as well as the reclassification of four posts (1 P-3 post to the P-4 level in Geneva and 3 General Service posts to the G-7 level in New York). The Advisory Committee was furnished with a copy of the proposed organizational chart of the secretariat of the Fund, which is attached to the present report as annex I. The Advisory Committee has no objection to this proposal.

9. As stated in paragraph 64 of annex III to the report of the Pension Board[2] to the forty-ninth session of the General Assembly, the Board of Auditors had recommended in its report on the accounts of the Fund for the year ended 31 December 1993 that "consideration should be given either to formally designating the [then] Office of Inspections and Investigations as the internal

auditors of the Fund or alternatively establishing arrangements for a separate internal audit function for the activities of the Fund". The Advisory Committee recalls that in paragraph 25 of its report of 27 October 1994,[3] it had requested "the Pension Board to present to the Advisory Committee the financial implications of the two options mentioned by the Board of Auditors in the context of the budget proposal for the biennium 1996-1997".

10. As indicated in paragraph 41 of the report of the Standing Committee, the Pension Board requested its Secretary to pursue the issue of arrangements for internal audit services with the Office of Internal Oversight Services, so as to ascertain whether arrangements could be made to extend the services of that Office to the secretariat of the Fund on a regular basis.[4] Subsequently, in resolution 49/224 of 23 December 1994, the General Assembly requested the Pension Board to report to the Assembly, in the context of its budget submission for the biennium 1996-1997, on the arrangements recommended by the Board of Auditors for internal audit of the Fund and the corresponding costs. The Advisory Committee notes that the report of the Standing Committee presents only one of the two options mentioned by the Board of Auditors.

11. The Advisory Committee notes from paragraphs 44 to 54 of the report of the Standing Committee that the Standing Committee of the Board was advised in detail by the Office of Internal Oversight Services as to the financial implications of the provision of audit services by that Office. As indicated in paragraph 53 of the report, the funds required to offset the cost of services to be provided by the Office would be approximately $964,200. This would cover the costs of staff and the provision of other support such as training, electronic data-processing equipment and travel. This provision is to cover the cost of auditing both the administrative and the investment operations of the Fund. As indicated in paragraphs 23 and 52 of the report, since the internal audit would also cover the functions performed by the secretariat of the Fund as the local secretariat of the United Nations Staff Pension Committee, it is expected that one third of the audit costs relating to the administrative functions of the Fund will be borne by the United Nations regular budget.

12. With regard to the audit costs of the investment operations of the Fund, the Advisory Committee notes from paragraph 54 that these would amount to $256,200, as proposed by the Office of Internal Oversight Services. Upon request, the Committee was provided with the number of internal audits carried out since 1983. There have been five internal audit examinations of the administrative functions of the Fund but, with the exception of the overall annual audit carried out by the Board of Auditors, it appears that no internal audit examination of the investment operations of the Fund has taken place, at least since 1983. The estimated audit expenses for investments ($256,200) would cover one P-4 post, that of coordinator of the new internal audit function, and the estimated cost of engaging an outside consultant to assist the Office of Internal Oversight Services in the investment audit ($50,000). In this connection, the Committee was informed by the representative of the Secretary-General for the investments of the Fund that the examination of portfolio management would be most appropriately carried out by an outside firm with demonstrated investment accounting expertise. Upon request, the Committee was provided with the intended scope of the investment audit (see annex II to the present report). The Committee trusts that such audit would be carried out by a firm selected under international competitive bidding in accordance with the Financial Regulations and Rules of the United Nations.

13. The Advisory Committee notes from paragraphs 24 and 52 and annex III to the report of the Standing Committee that the Standing Committee agreed with the

proposal of the Secretary of the Board of "funding for the Office of Internal Oversight Services for the biennium 1996-1997 at the level of $500,000, plus inflation, under 'contractual services', to cover the costs of the internal audit function, pending future action by the Board and the General Assembly during the next biennium regarding longer-term audit arrangements". The total contribution to the Office would be $512,000, including inflation adjustments. Administrative audit costs chargeable to the United Nations regular budget are estimated at $102,400; those relating to the administrative audit of the Fund are budgeted at $204,800; and those to cover the audit of investment operations are also estimated at $204,800 and budgeted under the investment costs of the Fund. In the view of the Advisory Committee, all internal audit costs should be reflected in the administrative budget of the Fund under a separate provision for internal audit, that is, separately from those costs budgeted for the administrative costs of the secretariat of the Fund and from those relating to the Investment Management Service.

14. As indicated in paragraph 41 of the report of the Standing Committee, in its report to the General Assembly in 1994,[2] the Board had requested that the results of any internal audits, whether carried out by the internal audit services of the United Nations or any other entity, should be communicated to the Board through its Secretary and not otherwise distributed, with the exception of internal audits of the investment operations of the Fund, as the investment function has been delegated to the Secretary-General under the Regulations of the Fund.[5]

15. The functions and reporting requirements of the Office of Internal Oversight Services as mandated by the General Assembly in its resolution 48/218 B of 29 July 1994, paragraphs 5 (c) and (e) (i), are "to assist the Secretary-General in fulfilling its internal oversight responsibilities in respect of the resources and staff of the Organization" and to "submit to the Secretary-General reports that provide insight into the effective utilization and management of resources and the protection of assets; the Secretary-General shall ensure that all such reports are made available to the Assembly as submitted by the Office, together with any separate comments the Secretary-General may deem appropriate". The Advisory Committee points out that the internal audit costs of the administrative functions of the secretariat of the Fund are partially covered by the regular budget of the United Nations (see para. 11 above). The Committee recommends that the Board provide clarification and guidance to its Secretary as to the arrangements to be made with the Office of Internal Oversight Services in respect of reporting on internal audits. The Board should also clarify whether the arrangements with that Office should be on the basis of a fee for service rather than the financing of a dedicated unit (including staff) in the Office.

Investment costs

16. The Advisory Committee notes from paragraphs 19, 29 and 68 of the report of the Standing Committee, as well as from annex III to the report, that the proposed investment costs of the Fund's Investment Management Service for 1996-1997 amount to $26,861,700, "all recurrent", and include provisions of $204,800 for internal audit costs.

17. As shown in table 6 of the report of the Standing Committee and discussed in paragraphs 71 to 73, the budget proposal for the Fund's Investment Management Service for 1996-1997 includes staffing requirements of 30 established posts (12 Professional and 18 General Service posts). These include the additional staffing requirements of six posts (1 D-1, 1 P-5, 1 P-4 and 3 General Service

posts) and reclassification of two Professional posts, the posts of Chief of the Investment Management Service (from the D-1 to the D-2 level) and of Information Systems Analyst (from the P-3 to the P-4 level).

18. Upon enquiry, the Advisory Committee was informed that all posts, including the four temporary posts (1 P-3 and 3 General Service posts) that were authorized in 1995, were already classified by the Office of Human Resources Management (the Professional post at the P-4 level and the General Service posts at the G-6, G-5 and G-4 levels). The request for conversion of these temporary posts to established posts has been reflected in the budget proposal for the biennium 1996-1997. (See the proposed organizational chart of the Fund's Investment Management Service in annex III to the present report.)

19. The Advisory Committee notes from paragraph 26 of the report of the Standing Committee that the Standing Committee "was unable to take a position on the staffing arrangements proposed for the Investment Management Service, particularly as regards the reclassification of the post of the Chief of the Investment Management Service".

20. With regard to the role of the Board on investments of the Fund, the Advisory Committee sought clarification of the statement in paragraph 25 that the Board "retains important responsibilities as regards both the investment policies and transactions, as recognized in article 19 of the Regulations". The Committee was provided with clarifications prepared for the Under-Secretary-General for Administration and Management by the Office of Legal Affairs. The Committee was informed that, under the provisions of article 19 of the Regulations and Rules of the Fund, which are adopted by the General Assembly upon the recommendation of the Board, the Secretary-General is solely responsible and accountable for investment of the assets of the Fund. Furthermore, it was noted that in carrying out that responsibility, the Secretary-General consults with the Investments Committee, the members of which he appoints. Under article 19 (a), the role of the Board is to make "observations and suggestions ... on the investments policy"; however, "the Secretary-General is not bound to follow such observations and suggestions" and he "alone bears the responsibility for the investment of the assets of the Fund". Thus, the Office of Legal Affairs indicated that "as a fiduciary for the interest of the participants and beneficiaries of the Fund, the Secretary-General has been accorded the powers of an agent with respect to the investment of the assets of the Fund".

21. With regard to the expenses for the administration of the Fund, the Office of Legal Affairs also provided clarification on the issue. The Advisory Committee was informed that "the Pension Board is required, pursuant to article 15 (b) of the Regulations, to submit a biennial estimate of expenses to the General Assembly for approval". It was indicated that "additionally, article 15 (a) provides that expenses incurred by the Board in the administration of the Regulations shall be met by the Fund". Thus, it was concluded by the Office of Legal Affairs that "the General Assembly has power to approve the budget for expenses of the Fund, and the Pension Board has the power to formulate a budget concerning, and to incur expenses in respect of, the administration of the Fund".

22. Clarification was also provided to the Committee with regard to the role of the Secretary-General vis-à-vis the role of the Secretary of the Board. As indicated by the Office of Legal Affairs, "the Secretary-General appoints the Secretary and Deputy Secretary of the Pension Board on the recommendation of the Board". Additionally, it was noted that "the Secretary-General has the power to

appoint such further staff as may be required from time to time by the Board." However, the Office of Legal Affairs pointed out that, in accordance with article 7 (c) of the Regulations of the Fund, "the Secretary [of the Board] shall be the chief executive officer of the Fund and shall perform his functions under the authority of the Board"; thus, he "acts under the authority of the Pension Board in carrying out the Pension Board responsibilities for the administration of the Fund. The responsibilities of the Pension Board include the formulation of the Budget for the expenses of the administration of the Fund, determination of the requirements of the staff for the secretariat support to the Pension Board, and the day-to-day administration of the Fund's assets".

23. Thus, as clarified by the Office of Legal Affairs, in the area of administration, duties and responsibilities fall upon the Board and the Secretary of the Board acting under the authority of the Board, and, in carrying out its responsibilities for the administration of the Fund, the Board is accountable to the General Assembly. In the view of the Office of Legal Affairs, any differences between the Board and the Secretary-General "as to the way in which the Pension Board exercises its powers over matters such as the budget proposals for the administration of the Fund, if they are not able to be resolved at sessions of the Pension Board, would have to be resolved by the Assembly to which the Pension Board must report and which approves the budget for the expenses related to the administration of the Fund".

24. Under the circumstances, in view of the inability of the Standing Committee of the Board to take a position, as mentioned in paragraph 19 above, the Advisory Committee recommends that, for the biennium 1996-1997, the staffing proposals for the Investment Management Service, including the issue of the reclassification of the post of Chief of the Investment Management Service, be submitted to the Board for consideration at its next regular session in 1996.

Notes

[1] Official Records of the General Assembly, Forty-seventh Session, Supplement No. 9 (A/47/9).

[2] Ibid., Forty-ninth Session, Supplement No. 9 (A/49/9).

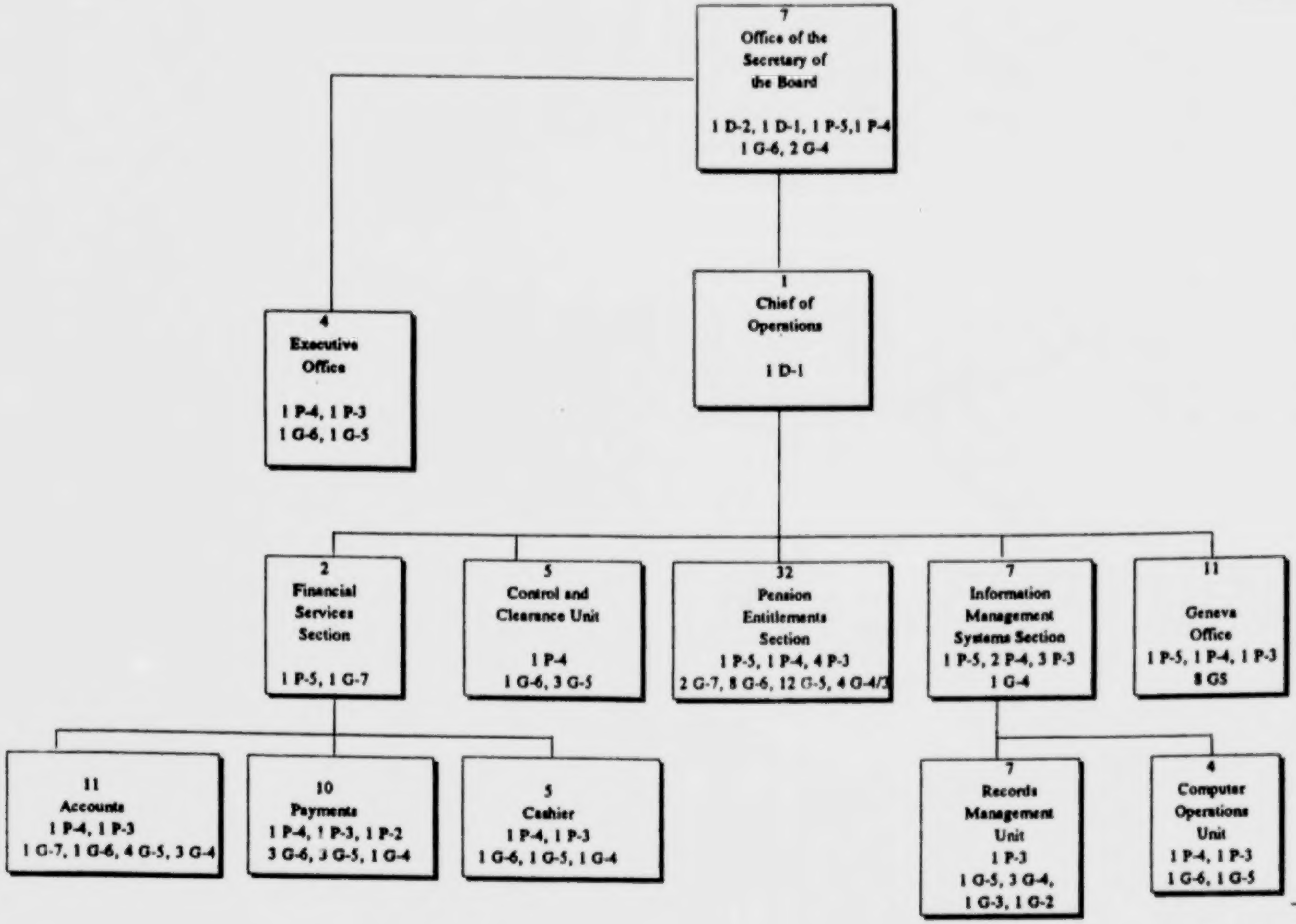
[3] A/49/576.

[4] Official Records of the General Assembly, Forty-ninth Session, Supplement No. 9 (A/49/9), para. 151.

[5] Regulations and Rules of the United Nations Joint Staff Pension Fund (JSPB/G.4/Rev.14), art. 9.

ANNEX I

Proposed organizational chart of the secretariat of the United Nations Joint Staff Pension Fund


7
Office of the Secretary of the Board
1 D-2, 1 D-1, 1 P-5, 1 P-4
1 G-6, 2 G-4
4
Executive Office
1 P-4, 1 P-3
1 G-6, 1 G-5
1
Chief of Operations
1 D-1
2
Financial Services Section
1 P-5, 1 G-7
5
Control and Clearance Unit
1 P-4
1 G-6, 3 G-5
32
Pension Entitlements Section
1 P-5, 1 P-4, 4 P-3
2 G-7, 8 G-6, 12 G-5, 4 G-4/3
7
Information Management Systems Section
1 P-5, 2 P-4, 3 P-3
1 G-4
11
Geneva Office
1 P-5, 1 P-4, 1 P-3
8 GS
11
Accounts
1 P-4, 1 P-3
1 G-7, 1 G-6, 4 G-5, 3 G-4
10
Payments
1 P-4, 1 P-3, 1 P-2
3 G-6, 3 G-5, 1 G-4
5
Cashier
1 P-4, 1 P-3
1 G-6, 1 G-5, 1 G-4
7
Records Management Unit
1 P-3
1 G-5, 3 G-4,
1 G-3, 1 G-2
4
Computer Operations Unit
1 P-4, 1 P-3
1 G-6, 1 G-5

Number of posts
7
1
4
57
11
26
Total 106

ANNEX II

Scope of the investment audit

1. The scope of the investment audit should:

(a) Determine whether all existing investments are recorded;

(b) Focus on the effectiveness and appropriateness of the process of: (i) determining an investment strategy; and (ii) executing that strategy, including determination of asset allocation, investment selection and portfolio management with respect to both monitoring and risk abatement techniques. The audit should seek to confirm also that custody arrangements are sufficient to safeguard assets in the physical sense;

(c) Take into account, in requesting outside expertise for the operational audit, the fact that the investment process involves sophisticated portfolio selection and monitoring techniques and the application of experience in the investment field to determine whether investment decisions are prudent, effectively controlled and risk-protected.

2. Specifically, the audit should include the following matters:

(a) Audit of the approval process as to whether all transactions are effected within the authority delegated by the representative of the Secretary-General to the staff of the Investment Management Service. Different levels of authority are set by amount per transaction and all transactions must be signed by two officers within their delegated authority;

(b) General review of the portfolio in terms of average holding in relation to the size of the markets and the size of the companies;

(c) Audit of investment performance based on the established benchmark used for comparison and to determine whether the returns meet the objectives of the Fund;

(d) Assessment of the efficiency of investment selection and trading by tracking the timeliness of the portfolio manager's decisions through measurement of the "implementation shortfall" or slippage between decision value and realized value;

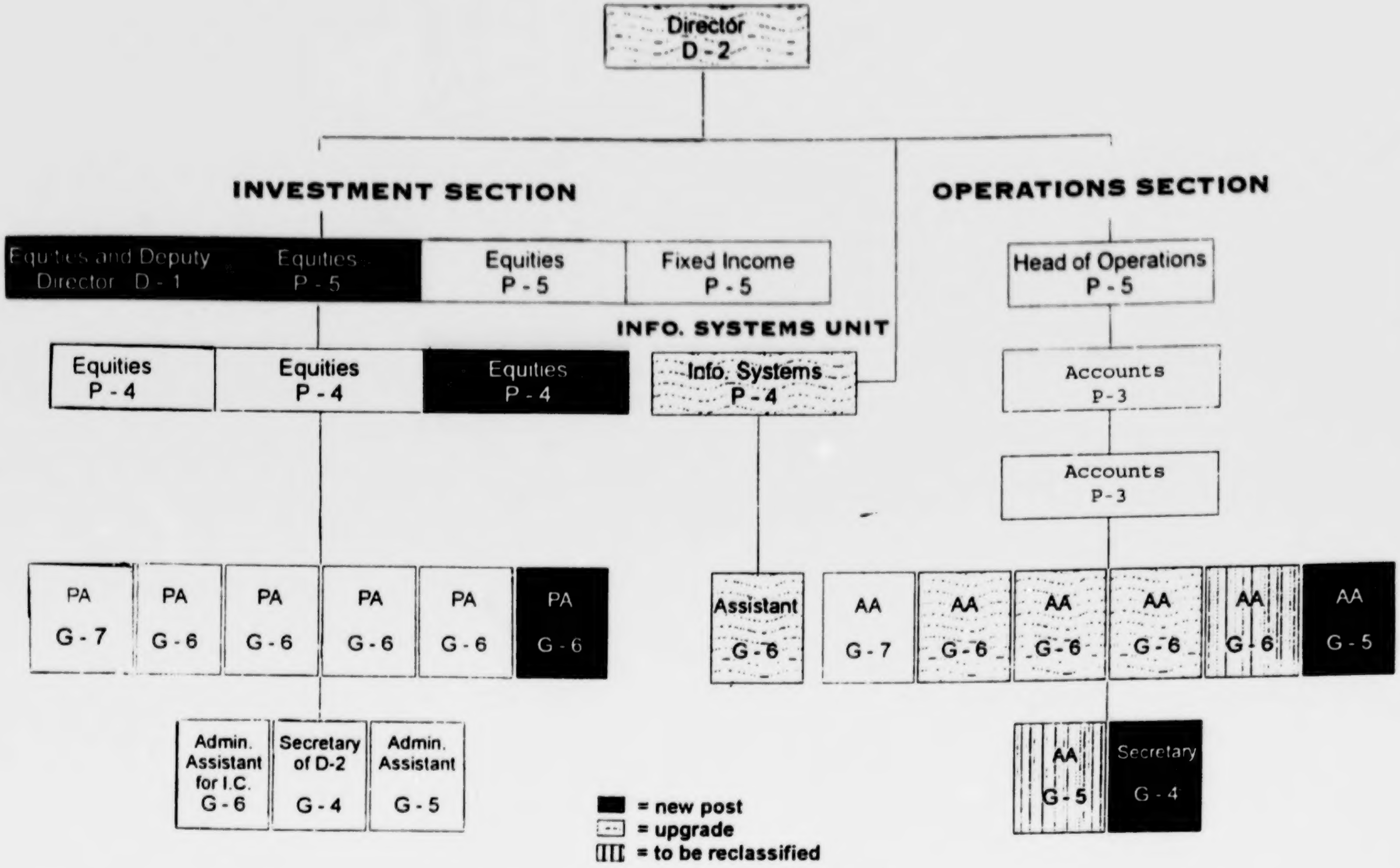
(e) Analysis of the value and cost of an array of issues related to the investment process, from research to brokerage.

3. The Investment Management Service has two in-house systems: (a) a Portfolio Management System, which was installed in 1993; and (b) the Investment Control and Accounting System, which provides automated accounting for the transaction activities of the investments of the Pension Fund. An accounting firm, with expertise in portfolio management and investment accounting systems, would review and evaluate both systems, especially with respect to internal control procedures.

ANNEX III

Investment Management Service

PROPOSED ORGANIZATIONAL CHART


Director
D - 2
INVESTMENT SECTION
Equities and Deputy Director D - 1
Equities P - 5
Equities P - 5
Fixed Income P - 5
Equities P - 4
Equities P - 4
Equities P - 4
PA G - 7
PA G - 6
PA G - 6
PA G - 6
PA G - 6
PA G - 6
Admin. Assistant for I.C. G - 6
Secretary of D-2 G - 4
Admin. Assistant G - 5
INFO. SYSTEMS UNIT
Info. Systems P - 4
Assistant G - 6
OPERATIONS SECTION
Head of Operations P - 5
Accounts P-3
Accounts P-3
AA G - 7
AA G - 6
AA G - 6
AA G - 6
AA G - 6
AA G - 5
AA G - 5
Secretary G - 4
= new post
= upgrade
= to be reclassified

PA = Portfolio Assistant
AA = Accounting Assistant
IC = Investments Committee

DOCUMENT A/50/7/Add.2

Third report

Special representatives, envoys and related positions

[Original: English]

[13 October 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General of 8 December 1994[1] concerning special representatives, envoys and related positions. During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. The report of the Secretary-General is submitted in response to the request of the General Assembly in its resolution 48/259 of 14 July 1994. In that resolution, the Assembly requested the Secretary-General to clarify the position of special representatives and envoys appointed on a "when actually employed" basis, on special service agreement, on a one United States dollar-a-year honorarium or with no remuneration, and to submit to the Assembly at its forty-ninth session such special guidelines as would need to be applied to those types of contractual arrangements, including a set of objective criteria for determining the level of such positions and the form of remuneration to be used; and to ensure that the number of special envoys, special representatives and other special high-level positions was kept at a minimum, that their functions and responsibilities were more clearly defined and streamlined, avoiding any possible duplication, and that current financial regulations and budgetary procedures were fully complied with, and to report thereon to the Assembly at its forty-ninth session.

3. In the same resolution, the General Assembly also endorsed the conclusions and recommendations of the Advisory Committee, as contained in its report on this question.[2] In paragraph 17 of its report, the Committee recommended, inter alia, that the establishment of all high-level positions of special representatives, envoys and advisers that were not against established or temporary posts considered and approved by the General Assembly under the regular budget or in the context of its consideration of the financing of peacekeeping operations (including through the support account) be made in accordance with the relevant financial regulations and rules and with the prior concurrence of the Committee.

4. As noted below, the Advisory Committee believes that, contrary to the mandate of the General Assembly, current established budgetary procedures for the authorization of posts may not have been fully complied with in the appointment of special representatives, envoys and other special high-level officials. The Committee points out that the report to the forty-ninth session of the General Assembly is incomplete as it does not contain the information requested in resolution 48/259.

5. The Advisory Committee notes from paragraph 5 of the report of the Secretary-General[1] that, for the biennium 1994-1995, special representatives, envoys and other special high-level positions are grouped in the same three categories as in the previous report of the Secretary-General on the subject.[3]

6. As indicated in paragraph 11 of the report of the Secretary-General, as of 31 October 1994, there were 44 officials in the positions of special representatives, envoys and other special high-level functions who reported directly to the Secretary-General. The Advisory Committee was informed that, as of 15 September 1995, there were 48 high-level encumbered positions. The Committee requested on several occasions, but was not provided with, updated information on the breakdown by categories and functions of these positions.

7. The Advisory Committee requests the Secretary-General to issue an addendum to update the annex to his report. The revised annex should contain the number of special representatives, envoys and other high-level special advisers reporting directly to the Secretary-General, including those officials appointed at the D-2 level. The annex should also reflect a historical comparison of all positions encumbered by the end of 1991 with those encumbered by the end of 1995, indicating the source of financing of the costs associated with these positions, as well as the type of contract issued and all the costs associated with such positions (i.e., fixed-term, "when actually employed", special service agreement, $1 a year basis, and any other contractual arrangements). The addendum should also respond more fully to the request of the General Assembly in its resolution 48/259 to submit to it "such special guidelines as would need to be applied to these types of contractual arrangements, including a set of objective criteria for determining the level of such positions and the form of remuneration to be used".

8. The Advisory Committee notes that, as listed in the annex to the report of the Secretary-General, there are 23 positions in the first category (special representatives and other high-level positions in peacekeeping or observer missions authorized by the Security Council). This is the same number of positions reviewed by the Committee in its previous report on the subject.[2] The Committee notes that, in the course of its examination of budget submissions to the General Assembly on peacekeeping operations, the Committee had the opportunity to review and comment on the civilian personnel component of the missions, including the positions of special representative and deputy special representative of the Secretary-General. The Committee notes from paragraph 16 of the report of the Secretary-General that, in 1994, on an annualized basis, the total budgeted remuneration for the 23 posts amounted to $4.6 million, compared with $4.3 million of total annual remuneration budgeted for this category of positions as reported to the Committee in May 1994.[4]

9. The Advisory Committee recalls that, in paragraph 9 of its report,[2] it had been informed that, out of a total of 23 high-level positions, 19 posts were filled by officials who held fixed-term contracts, 3 by officials who were appointed on a "when actually employed" basis and one post was vacant (Chief of Staff of the United Nations Truce Supervision Organization). The Committee requested, but did not receive, updated information on the number of positions filled and the type of contractual arrangements made.

10. Upon request, the Advisory Committee was provided with a copy of the draft guidelines regulating the use of "when actually employed" appointments. The Committee notes from paragraph 14 of the report of the Secretary-General that the Secretary-General intends to submit these guidelines to the General Assembly "in due course".

11. As indicated in paragraph 7 of the report of the Secretary-General, the second category relates to appointments by the Secretary-General of 16 envoys, "normally for a limited period, to assist him in the exercise of his good offices or related functions". As also indicated in paragraph 7, "these

appointments are either specifically recommended by the Security Council or the General Assembly or relate to issues or situations with which these bodies are seized". The Advisory Committee notes from paragraph 17 that the costs associated with seven special envoys in this category amounted to $3.5 million in 1994, which was funded under the provisions for the maintenance of peace and security of General Assembly resolution 48/229 of 23 December 1993 on unforeseen and extraordinary expenses for the biennium 1994-1995. The Committee recalls that, as indicated in its previous report on the subject, the Committee had been informed that "on an annualized basis, total budgeted remuneration of officials in this category of high-level positions amounts to approximately $1.3 million".[5] The Committee requested, but was not provided with, information on the contractual arrangements for the positions financed under the provisions of resolution 48/229, nor was the Secretariat able to provide the Advisory Committee with a definition of "limited duration".

12. The Advisory Committee cautions that the reduction in the number of established posts in the United Nations regular budget should not lead to the emergence of new procedures whereby high-level positions which may not necessarily be related to the maintenance of peace and security or be of an unforeseen and extraordinary nature are funded under the provisions of resolution 48/229. Moreover, the Committee points out that this resolution was not intended to cover the establishment of positions on a continuing basis.

13. As indicated in paragraph 18 of the report of the Secretary-General, the remuneration, on an annualized basis, for officials in the category of "other special high-level positions" amounted to $600,000 and the "associated costs are included in the regular budget for the biennium 1994-1995". The Advisory Committee understands that some of these positions are occupied by special advisers to the Secretary-General financed from the provisions of the regular budget for temporary assistance. The Committee was informed that some officials in those positions are being hired on a fixed-term basis, either intermittently or continuously, with short breaks in their contracts to conform to the guidelines for the appointment of temporary staff financed from general temporary assistance funds. The Committee understands that problems have arisen because, in those instances where the function performed is, in fact, required on a continuous basis, interruptions simply to conform to the procedure for temporary service have a negative impact on the provision of services; in this regard, the Committee understands that, in some cases, procedures that limit continuous service to 11 months are being disregarded. In the opinion of the Committee, all this points to the need for transparency in the use of temporary positions and the necessity for ensuring that they are utilized only for temporary requirements.

14. In this regard, the Advisory Committee points out that there is need for greater transparency in the budgetary process, so as to reflect in the staffing tables of the Secretariat all positions that are for continuing functions. In the view of the Committee, positions that are required for the performance of functions of a continuing nature in the work of the United Nations should be budgeted in the regular budget, for review and approval by the General Assembly, through the Advisory Committee.

15. In a related matter, the Advisory Committee sought clarification as to the existing guidelines for the use of funds budgeted under general temporary assistance (as distinct from temporary assistance for meetings, which is utilized for conference services). The Committee was informed that provisions for general temporary assistance are included in the regular budget with the purpose of covering the costs relating to peak workload and the temporary

replacement of staff on maternity and sick leave under the provisions of the Staff Rules. The Committee was informed that provisions for temporary assistance have not been included in the budgets of peacekeeping operations, with the exception of the United Nations Disengagement Observer Force and the United Nations Interim Force in Lebanon missions and the peacekeeping support account. It was also indicated to the Committee that, as authorized by the General Assembly in paragraph 12 of its resolution 49/250 of 20 July 1995, 61 temporary positions funded from general temporary assistance funds under the support account have been converted to temporary posts. Furthermore, it was added that, in accordance with paragraph 14 of that resolution, a special adviser to the Secretary-General continues to be financed from general temporary assistance funds under the support account.

16. The Advisory Committee requested, and was provided with, the administrative instructions of the Secretary-General setting out detailed provisions for obtaining the temporary services of individuals as temporary staff or as individual contractors and for obtaining the temporary services of individuals as consultants.

17. The Advisory Committee notes from these instructions that "temporary staff may be appointed and individual contractors may be engaged against funds authorized for the purpose of temporary assistance" and "temporary staff may also be appointed against established, temporary or authorized posts when the post is vacant and the temporary staff are to perform the functions normally associated with the post pending its incumbency by regular staff".[6] The Advisory Committee requests the Secretary-General, at the earliest opportunity, to issue further refinements to the guidelines on the use of funds budgeted for general temporary assistance to ensure consistency of application of the relevant procedures.

18. The Advisory Committee understands that some high-level positions are being financed from funds appropriated for general temporary assistance and that some of these positions have not been reviewed by the Committee as mandated by the General Assembly. The Committee has requested the Secretary-General to reconsider this practice and to follow the normal procedure for the establishment of posts.[7] The Committee has been concerned with the practice of a flexible interpretation of the guidelines for the use of funds appropriated for general temporary assistance. Often these funds are used for the purpose of financing de facto temporary posts. This situation not only hampers adequate control of the staffing tables but also avoids the review by the Committee and the General Assembly of the functional responsibilities of such posts. The Advisory Committee requests the Secretary-General to report to the General Assembly during the fiftieth session, through the Advisory Committee, on the measures he has taken to address the concerns raised above.

Notes

[1] A/C.5/49/50.

[2] Official Records of the General Assembly, Forty-eighth Session, Supplement No. 7A (A/48/7/Add.1-17), document A/48/7/Add.7.

[3] A/C.5/48/26.

[4] Official Records of the General Assembly, Forty-eighth Session, Supplement No. 7A (A/48/7/Add.1-17), document A/48/7/Add.7, para. 6.

[5] Ibid., para. 13.

[6] ST/AI/293, para. 8.

[7] See Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. 68.

DOCUMENT A/50/7/Add.3

Fourth report

Programme budget implications of draft resolution A/50/L.7

(Agenda item 45)*

[Original: English]

[27 October 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/C.5/50/14) on the programme budget implications of the extension of the United Nations Mission in El Salvador (MINUSAL) for the period from 1 November 1995 to 30 April 1996.

2. As indicated in paragraph 4 of the statement of the Secretary-General on programme budget implications, should the General Assembly adopt draft resolution A/50/L.7, the requirements for the extension of the mandate of MINUSAL amount to $1,366,200. The Secretary-General proposes to finance MINUSAL from additional provisions under the regular budget for the bienniums 1994-1995 and 1996-1997 ($452,500 for 1995 and $913,700 for 1996). These provisions would include the costs of 10 Professional posts (1 D-2, 1 P-5 and 8 P-4), 1 General Service post, 15 local level posts and 4 civilian police.

3. The Advisory Committee sought clarification as to the authority for the establishment of MINUSAL. The Committee recalls that the Security Council, in its resolution 961 (1994) of 23 November 1994, extended the mandate of the United Nations Observer Mission in El Salvador (ONUSAL) for one final period from 1 December 1994 to 30 April 1995 and, in its resolution 991 (1995) of 28 April 1995, the Security Council affirmed that the mandate of ONUSAL would terminate as of 30 April 1995.

4. The Advisory Committee was informed that the establishment of MINUSAL by the Secretary-General was in response to the request by the General Assembly in its resolution 49/137 of 19 December 1994, paragraph 15, "to devise procedures for providing El Salvador, in the context of the Peace Agreement, with the necessary cooperation and assistance in the period after the United Nations Observer Mission in El Salvador, in order to safeguard peace and the strengthening and consolidation of national reconciliation, democracy and sustainable development". The Committee notes that, in this connection, the Secretary-General has submitted a report to the fiftieth session of the General Assembly on the situation in Central America (A/50/517).

5. As indicated in paragraph 3 of the statement of the Secretary-General on programme budget implications and in paragraph 2 of his report, the Secretary-General, in his letter dated 6 February 1995,[1] informed the President of the Security Council of his intention to put in place "a small team of about eight Professionals, with the necessary support staff. This team would have the capability to provide good offices, to verify implementation of the outstanding points on the peace agreements and to provide a continuing flow of accurate and reliable information" so that the Security Council could be kept informed as

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* The situation in Central America: procedures for the establishment of a firm and lasting peace and progress in fashioning a region of peace, freedom, democracy and development.

necessary. The arrangement proposed by the Secretary-General to the Council was welcomed by the Council, as indicated in the letter dated 17 February 1995 from the President of the Council to the Secretary-General.[2]

6. As stated in paragraph 3 of the statement of the Secretary-General on programme budget implications, MINUSAL began its work on 1 May 1995 upon conclusion of the mandate of ONUSAL, effective 30 April 1995. The funding of MINUSAL for the period from 1 May 1995 to 31 October 1995 was authorized by the Secretary-General under the terms of General Assembly resolution 48/229 of 23 December 1993 on unforeseen and extraordinary expenses.

7. For the period from 1 May 1995 to 31 October 1995, the MINUSAL team was composed of 11 Professionals, headed by the Special Representative of the Secretary-General at the assistant secretary-general level, supported by 8 civilian police, 1 internationally recruited General Service staff member and 15 local level staff. The Advisory Committee notes from paragraph 26 of the report of the Secretary-General that the Special Representative of the Secretary-General left El Salvador at the end of September 1995. As indicated in paragraph 5 of the statement of the Secretary-General on programme budget implications, he has been replaced by a representative of the Secretary-General and head of the Mission at the D-2 level. Upon enquiry, the Committee was informed that, for the six-month period of the Mission's activities from 1 May to 31 October 1995, the Secretary-General had, pursuant to General Assembly resolution 48/229, authorized expenditures in the amount of $1,028,500. This authorization did not involve submission of a proposal to the Advisory Committee for review. The Committee was informed that trust fund contributions to date to MINUSAL amounted to $318,000, of which $72,090 would be available to cover some of the 1995 additional requirements partially.

8. In paragraph 1 of his statement on programme budget implications, the Secretary-General indicates that the proposal to extend MINUSAL for a period of six months, from 1 November 1995 to 30 April 1996, includes a gradual reduction in strength and costs. In addition, in paragraph 28 of his report, the Secretary-General indicates that, "depending on the rate of progress in the coming months, it should be possible to reduce further the size of the Mission and gradually phase it out".

9. The Advisory Committee points out that the timing of these reductions in personnel and costs is not explained in the statement of the Secretary-General. The Committee expects that, as implementation of the aspects of the peace agreements is completed, the Secretary-General will review the number and level of the posts and other expenses of the Mission with a view to making appropriate reductions.

10. The Advisory Committee was not provided with adequate justification for the posts being requested in relation to the programme of work for the completion of all outstanding areas of the peace accords mentioned in paragraph 3 of the statement of the Secretary-General on programme budget implications (i.e., public security, land transfer, human settlements, reinsertion programmes, protection of the wounded and disabled and legislative reform). The Committee recommends that, should the Mission be further extended beyond 30 April 1996, the Secretary-General should provide more detailed justification for the posts requested.

11. With regard to provisions for three international consultants, upon request, the Advisory Committee was informed that, since one of the international consultants' place of residence was in El Salvador, the related

reductions for travel and subsistence costs amounted to $6,700 in 1995 and $10,200 in 1996. The Committee understands that ONUSAL consultants have been retained for services to MINUSAL. The Committee trusts that, for all consultants, arrangements will be made to provide the requisite expert knowledge to the Mission in the most cost-effective manner. With respect to the local press consultant, the Committee requests the Secretary-General to ensure that arrangements take into consideration existing capacity and capabilities within the Department of Public Information, taking into account the need for specialized knowledge of the area.

12. The Advisory Committee notes from the annex to the statement of the Secretary-General on programme budget implications that provisions for equipment are limited to requirements for operation and maintenance. Upon enquiry, the Committee was informed that the equipment of MINUSAL was obtained from the available stock of ONUSAL. The Committee recalls that it had been informed of the disposal of ONUSAL assets in the report of the Secretary-General of 22 June 1995. The value of ONUSAL assets transferred to MINUSAL in that report was estimated at about $432,200.[3]

13. The Advisory Committee recalls that, as indicated in paragraph 20 of the report of the Secretary-General of 22 March 1995,[4] the equipment and property of ONUSAL was disposed of in accordance with General Assembly resolution 49/233 A of 23 December 1994. The Committee expects to revert to the issue of examining the accounting procedures for the transfer of assets among United Nations operations that are financed by different scales of assessment upon receipt of the comprehensive report of the Secretary-General on the subject of the transfer of assets.

14. The Advisory Committee notes that, under provisions for miscellaneous services and supplies, production of official reports is estimated at $30,000 ($5,000 per month) in paragraph 11 of the annex to the statement of the Secretary-General on programme budget implications. Upon enquiry, the Committee was informed that the total production cost of reports is estimated at $5,000 for the Mission's mandate period ($1,600 for 1995 and $3,400 for 1996) instead of $5,000 per month. Therefore, the provisions for this item should be reduced by $25,000 ($8,400 in 1995 and $16,600 in 1996).

15. With regard to rental and maintenance of premises, the Advisory Committee urges the Secretary-General to make every effort to obtain contributions from the host Government whenever feasible.

16. Taking into account the adjustments mentioned in paragraphs 11 and 14 above, the Advisory Committee believes that additional requirements for 1995 should not exceed $367,400. Such additional appropriation as may be necessary for the biennium 1994-1995 should be considered in the context of the second performance report for that biennium, which will be considered by the General Assembly during its fiftieth session. For the additional requirements of MINUSAL in 1996, the Committee recommends that the Fifth Committee inform the General Assembly that adoption of draft resolution A/50/L.7 entails an additional requirement of up to $886,900 under section 3 (Peacekeeping operations and special missions) of the proposed programme budget for the biennium 1996-1997. Such additional appropriation as may be necessary will be considered by the General Assembly in the context of its approval of the proposed programme budget for the biennium 1996-1997.

Notes

[1] S/1995/143; see Official Records of the Security Council, Supplement for January, February and March 1995.

[2] S/1995/144; see Resolutions and Decisions of the Security Council, 1995.

[3] A/49/518/Add.2, annex II.

[4] A/49/518/Add.1.

DOCUMENT A/50/7/Add.4

Fifth report

International Commission of Inquiry in Rwanda - Revised estimates under section 3 (Peacekeeping operations and special missions), section 32 (Staff assessment) and income section 1 (Income from staff assessment)

[Original: English]

[30 November 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the International Commission of Inquiry in Rwanda (A/C.5/50/27). During its consideration of the report, the Committee met representatives of the Secretary-General, who provided additional information.

2. The Security Council, in its resolution 1011 (1995) of 16 August 1995, requested the Secretary-General to make recommendations, as soon as possible, on the establishment of a commission mandated to conduct a full investigation to address allegations of arms flows to former Rwandan government forces in the Great Lakes region of Central Africa.

3. In its resolution 1013 (1995) of 7 September 1995, the Security Council requested the Secretary-General to establish, as a matter of urgency, an International Commission of Inquiry. The Council recommended that the Commission be appointed by the Secretary-General and be composed of 5 to 10 impartial and internationally respected persons, including legal, military and police experts, under the chairmanship of an eminent person, and assisted by the appropriate support staff.

4. In the same resolution, the Security Council requested the Secretary-General to report to it on the establishment of the Commission, and also requested him, within three months from the establishment of the Commission, to submit an interim report on the conclusions of the Commission and, as soon as possible thereafter, to submit a final report containing its recommendations.

5. The Advisory Committee, in its letter of 31 October 1995, concurred in the request of the Secretary-General to enter into commitments in an amount not exceeding $424,400 gross ($397,300 net) for the cost of the establishment of the Commission for the period from 1 November to 31 December 1995. This request was made under paragraph 3 of General Assembly resolution 48/229 of 23 December 1993 on unforeseen and extraordinary expenses for the biennium 1994-1995.

6. The Secretary-General estimates total requirements for the Commission for the period from 1 November 1995 to 30 April 1996 at $1,162,000 gross ($1,080,700 net), as indicated in paragraph 9 of the report of the Secretary-General. Supplementary information is given in the annex to the report. The net amount comprises the expenditures of the Commission for the period from 1 November to 31 December 1995 of $392,100 net, plus an amount of $688,600 estimated for 1996.

7. The Advisory Committee notes from paragraph 10 of the report of the Secretary-General that the cost of equipment and furniture transferred from the United Nations Assistance Mission for Rwanda (UNAMIR) is estimated at $22,000.

However, the Advisory Committee was informed that this estimate did not include the cost of air support, vehicles and communication provided to the Commission by other missions in the area (see para. 16 below). This information should be provided in the context of the first performance report on the programme budget for the biennium 1996-1997.

8. With regard to the duration of the operation of the Commission, the Advisory Committee recalls that the Security Council, in its resolution 1013 (1995), paragraph 4, requested the Secretary-General, within three months from the establishment of the Commission, to submit an interim report on the conclusions of the Commission and, as soon as possible thereafter, to submit a final report containing the recommendations of the Commission (see para. 4 above). In this connection, the Committee notes that the Secretary-General has estimated that the Commission will finish its work within six months.

9. Paragraph 8 of the report of the Secretary-General and item 2 (Premises) of the annex to the report indicate that the headquarters of the Commission will be at Nairobi. Upon enquiry, the Advisory Committee was informed that the choice of Nairobi as headquarters of the Commission was due to the fact that much of the investigation by the Commission was to be undertaken outside Rwanda and that the Nairobi location facilitated travel to and from the places of investigation.

10. According to paragraph 7 of the report of the Secretary-General, the Commission will be supported by one military observer, eight international staff (1 P-4, 2 P-3, 1 P-2, 1 General Service and 3 Security Officers) and six local level staff. The Advisory Committee understands that the military observer is required for expert assistance in the identification of arms.

11. With regard to the P-3 post of security coordinator, the Advisory Committee was informed that a security coordinator was necessary to ensure the safety of the Commission members whenever they travelled to the various countries of the Great Lakes region of Central Africa. The Committee has no objection to this position.

12. Upon enquiry, the Advisory Committee was informed that an administrative officer was required in order to prepare financial contracts and to make payments. In view of the functions to be performed by the administrative officer, the Committee trusts that the post will be filled by a staff member and that that person will have sufficient knowledge of United Nations rules and procedures.

13. As far as the need for the post of legal officer is concerned, the Advisory Committee was informed that the duties of that person would be to advise the Chairman of the Commission and provide legal services to the Commission. In this connection, the Committee recalls and reiterates the comment in its first report on the proposed programme budget for the biennium 1996-1997[1] that any legal advice given by legal officers carrying out legal functions in the Secretariat other than the Office of Legal Affairs should be consistent with the practice of the United Nations Legal Counsel.

14. The Advisory Committee notes that provision for hospitality has been made at the rate of $1,000 a month; this is excessive.

15. In paragraph 11 of his report, the Secretary-General indicated that the activities relating to the Commission were of an extraordinary nature and should be dealt with outside the procedures relating to the contingency fund, as provided for in paragraph 11 of annex I to General Assembly resolution 41/213 of

19 December 1986. In this connection, the Advisory Committee recommends that the expenditures for the period from 1 November to 31 December 1995 in the amount of $419,200 gross ($392,100 net) be considered in the context of the second performance report for the biennium 1994-1995. The operations of the Commission in 1996 will give rise to expenditure not exceeding $688,600. Such additional appropriation as may be necessary could be considered by the General Assembly in the context of its review and approval of the proposed programme budget for the biennium 1996-1997.

16. With regard to the treatment of the transfer of assets between missions, it is the intention of the Advisory Committee to return to this issue in the context of its consideration of the relevant report of the Secretary-General.

Notes

[1] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), chap. II, para. III.24.

DOCUMENT A/50/7/Add.5

Sixth report

International Civilian Mission to Haiti - Revised estimates under section 3 (Peacekeeping operations and special missions), section 32 (Staff assessment) and income section 1 (Income from staff assessment)

[Original: English]

[1 December 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/50/25) on the financing of the United Nations component of the International Civilian Mission to Haiti (MICIVIH) under the proposed programme budget for the biennium 1996-1997. During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. The General Assembly, in its resolution 47/20 B of 20 April 1993, approved the joint participation of the United Nations with the Organization of American States (OAS) in MICIVIH and, in its resolution 49/27 B of 12 July 1995, renewed the mandate of the joint participation of the United Nations and authorized its extension until 7 February 1996, the date of expiration of the Haitian President's term of office.

3. The Advisory Committee notes from paragraphs 49 to 51 of the report of the Secretary-General on the situation of democracy and human rights in Haiti (A/50/548) that the Secretary-General intends, upon receipt of a request from the Government of Haiti, to formulate a recommendation to the General Assembly for an extension of the mandate of MICIVIH beyond 7 February 1996. As indicated in paragraph 50, the Secretary-General of OAS has already expressed a readiness for a continued MICIVIH presence in Haiti after 7 February 1996. The Committee notes that, should the Government of Haiti make such a request for the extension of the Mission, the size and composition of its staff would be reassessed in consultation with the Secretary-General of OAS to reflect the new terms of reference of the Mission.

4. As indicated in paragraph 5 of the report of the Secretary-General on the financing of MICIVIH, the appropriation required for the biennium 1996-1997 to cover the cost of the Mission's mandate in 1996 is $2,270,400 until 7 February 1996. As indicated in annex I to the report, the requirements relate, inter alia, to salaries and common staff costs for the continuation of 115 international staff, consisting of 98 staff in the Professional and higher categories (1 D-2, 2 P-5, 47 P-4, 41 P-3 and 7 P-2), 10 General Service staff and 7 Field Service staff (ibid., annex I). The actual deployment of Mission staff for 1995, as provided to the Committee, is shown in the annex to the present report.

5. Salaries and common staff costs of 251 local staff, estimated at $456,800, will be shared between the United Nations and OAS in accordance with the memorandum of understanding between the two organizations. As shown in annex I to the report on the financing of MICIVIH, the provision for salaries and common staff costs ($1,343,800) includes the United Nations share of salaries and common staff costs of local staff ($228,400).

6. With regard to the estimate for United Nations Volunteers, the Advisory Committee notes (ibid., annex I) that the provision of $340,200 is proposed for the continuation of 30 Volunteers to serve as human rights observers for the period from 1 January to 7 February 1996. In the view of the Committee the estimate of $11,340 per Volunteer for 37 days is excessive. The Committee recalls that, in mid-July, it had been informed that the average cost per Volunteer per month was $4,325 for MICIVIH and $4,695 for the United Nations Mission in Haiti (UNMIH), which included the costs of a programme and administrative support unit, as indicated in paragraph 26 of its report (A/50/488). Furthermore, the Committee recalls that administrative support to MICIVIH is currently being provided by the administrative structure of UNMIH (ibid., para. 24, and A/50/548, para. 48).

7. The Advisory Committee requested information as to the basis for the calculation of the estimate of the United Nations Volunteers but received no satisfactory explanation. The Committee recommends that a revised estimate of $160,025 be approved for 30 Volunteers for 37 days on the basis of the rate provided to the Committee in July 1995 of $4,325 per Volunteer per month. The consequential reduction in the estimate is $180,203.

8. As indicated in annex I, operational costs include provisions of $31,300 for rental and maintenance of premises and $25,000 for miscellaneous service contracts. The Advisory Committee notes that, in accordance with the terms of the memorandum of understanding with OAS, the United Nations is required to pay 50 per cent of the total cost of rental and maintenance of premises ($62,600).

9. With regard to the total provision for the rental and maintenance of vehicles ($63,600), in the view of the Advisory Committee, the provision of $32,700 for spare parts, regular maintenance and repairs of 109 vehicles (89 United Nations-owned vehicles and 20 OAS vehicles at an estimated cost of $300 per vehicle per month) is excessive. The Committee recalls that, with respect to civilian-pattern vehicles in UNMIH, it had been informed that the monthly cost would amount to $185 per vehicle for spare parts and regular maintenance, as indicated in paragraph 30 of its report. Upon request, the Committee was provided with revised estimates of $20,165 to cover the costs of vehicle spare parts, regular maintenance and repairs and an estimate of $14,000 for petrol, oil and lubricants, with a consequential total reduction under rental/maintenance of vehicles of $27,600.

10. As regards commercial communications charges ($66,400), the Advisory Committee believes that the provision of $40,000, as shown in annex II to the report of the Secretary-General on the financing of MICIVIH, to cover charges for INMARSAT type "M" portable satellite terminals, at the estimated user rate of 2.5 hours per day per terminal, may be excessive. The Committee understands that the UNMIH communications network accommodates the requirements of MICIVIH and that the INMARSAT portable terminals will be used as emergency back-up. The Committee recalls that, for instance, in the case of commercial communications charges for UNMIH, estimates were presented to the Committee for commercial satellite terminals (INMARSAT type "M") at the rate of approximately 5 minutes per day per terminal, at a monthly cost of $9,300 for 15 terminals (A/50/363, annex V, table 7).

11. Upon enquiry, the Advisory Committee was informed that the provisions for user charges for INMARSAT type "M" terminals were higher for MICIVIH than for UNMIH because some MICIVIH outstations were not located in the same area as UNMIH sector offices. It was indicated that those INMARSAT terminals were being used by MICIVIH for communication with its headquarters. Moreover, owing to

their remoteness, those outstations had no satellite/terrestrial telephone system installed at these locations. It was added that, with respect to the cost of the leasing of repeater sites ($23,400), the rate applicable to UNMIH of approximately $409 per repeater per month was also applicable to MICIVIH owing to the number of repeater sites currently being rented by both UNMIH and MICIVIH. Accordingly, the revised cost of the leasing of MICIVIH repeater sites was thus estimated at approximately $3,700, with a consequential reduction in the estimate of $19,700.

12. The Advisory Committee recommends that, taking into account the reductions indicated in paragraphs 7, 9 and 11 above, the General Assembly appropriate the amount of $2,042,897 under section 3 (Peacekeeping operations and special missions) of the proposed programme budget for the biennium 1996-1997. An additional appropriation of $278,200 would be required under section 32 (Staff assessment), offset by the same amount under income section 1 (Income from staff assessment).

ANNEX

International Civilian Mission to Haiti

Actual deployment of staff for 1995

	On board 31 Dec. 1994	Jan. 1995	Feb. 1995	March 1995	April 1995	May 1995	June 1995	July 1995	August 1995	Sept. 1995	Oct. 1995	Nov. 1995	Dec. 1995	Total complement 1995
Professionals														
USG	0	-	-	-	-	-	-	-	-	-	-	-	-	0
D-2	1	-	-	-	-	-	-	-	-	-	-	-	-	1
D-1	0	-	-	-	-	-	-	-	-	-	-	-	-	0
P-5	1	-	-	(1)	-	1	1	-	-	-	-	-	-	2
P-4	7	(1)	3	2	2	15	11	7	-	-	-		-	46
P-3	2	14	5	4	17	-	-	-		-	-	-	-	42
P-2	8	(1)	-	-	-	-	-	-	-	-		-	-	7
Subtotal	19	12	8	5	19	16	12	7	0	0	0	0	0	98
General Service and others														
General Service	2	-	2	3	2	1	-	-	-	-	-	-	-	10
Field Service	2	-	-	4	2	(1)	-	-	-	-	-	-	-	7
Security Service	-	-	-	-	-	-	-	-	-	-	-	-	-	0
Subtotal	4	0	2	7	4	0	0	0	0	0	0	0	0	17
Total, international staff	23	12	10	12	23	16	12	7	0	0	0	0	0	115
Local staff	34	-	2	3	63	55	54	40		-	-	-	-	251
United Nations Volunteers	0	-	-	-	-	30	-	-	-	-	-	-	-	30
Grand total	57	12	12	15	86	101	66	47	0	0	0	0	0	396

DOCUMENT A/50/7/Add.6

Seventh report

Revised estimates for the International Seabed Authority for 1996

[Original: English]

[6 December 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General relating to the revised estimates for the International Seabed Authority for 1996 (A/C.5/50/28). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. As recalled in paragraph 2 of the report of the Secretary-General, in its resolution 48/263 of 28 July 1994, the General Assembly decided to fund the administrative expenses of the Authority until the end of the year following the year during which the Agreement relating to the implementation of Part XI of the United Nations Convention on the Law of the Sea of 10 December 1982 entered into force.

3. The Advisory Committee notes from paragraph 4 of the report of the Secretary-General that, as the Agreement has not yet entered into force, the administrative expenses of the Authority in 1996 are still to be met through the budget of the United Nations.

4. The Advisory Committee also notes that the Council responsible for proposing candidates for the position of Secretary-General of the Authority has not yet been established, and thus the election of the Secretary-General has not taken place.

5. With regard to the entry into force of the Agreement, the Advisory Committee recalls article 6 of the annex to General Assembly resolution 48/263, which states that the Agreement shall enter into force 30 days after the date on which 40 States have established their consent to be bound, provided that such States include at least 7 pioneer investors and that at least 5 of those States are developed States. In this connection, the Committee was informed that, as of 27 November 1995, 41 States had ratified the Agreement, out of which 3 States were pioneer investors (2 of which are developed States).

6. The Advisory Committee recalls and reiterates its comment in paragraph 4 of its report of 16 December 1994[1] that, even though the procedures for review and approval of the budget by the Finance Committee, the Council and then the Assembly of the Authority are specific and involve action by Governments, as long as the budget of the Authority is to be financed by the regular budget of the United Nations, the approval of the funding must be in accordance with Article 17 of the Charter of the United Nations, that is, the budget of the Authority would have to be approved by the General Assembly after review by the Advisory Committee.

7. In paragraph 25 of his report, the Secretary-General indicates that the total budget of the Authority in 1996 amounts to $2,656,800, consisting of $1,318,900 for conference-servicing expenses and $1,337,900 for expenses of the secretariat of the Authority.

8. As indicated in paragraph 26 of the report of the Secretary-General, the estimated amount of $1,318,900 for conference-servicing expenses will be met from the resources to be appropriated under section 26E (Conference services) of the proposed programme budget for the biennium 1996-1997. The Advisory Committee was informed that the meeting time might, in fact, be overstated by one week and that, depending on the length of the sessions, it might be possible to reduce the cost of conference services. A breakdown of the cost estimates based on the five- and four-week sessions is annexed hereto. The Committee expects that any savings will be reflected in the relevant performance report on the programme budget for the biennium 1996-1997.

9. Upon enquiry, the Advisory Committee was informed that the number of official languages per session of the Finance Committee in table 1, under paragraph 26 of the report of the Secretary-General, would be six and not one.

10. As indicated in paragraph 46 of the report of the Secretary-General, the proposed programme budget for the biennium 1996-1997 retained the 1994-1995 appropriation of $776,000 as a resource base for 1996-1997, pending the submission of the budget of the Authority to the General Assembly at its fiftieth session. The Secretary-General is therefore requesting an additional appropriation of $561,900 under section 33 (International Seabed Authority).

11. The Advisory Committee notes from paragraphs 13 and 20 of his report that the Secretary-General, when indicating the services to be performed by the interim secretariat of the Authority, mentions "administrative" as well as "substantive" services. Upon enquiry, the Committee was informed that the present estimates (see para. 7 above) related to the administrative expenses for staff and conference services of the Authority and not to its operational activities. In this connection, the Committee recommends that, in future, the budget presentation be clarified so that it is consistent with General Assembly resolution 48/263.

12. The Advisory Committee notes from paragraph 28 of the report of the Secretary-General that staff resources for the period from 1 January to 31 March 1996 are estimated at 14 posts (1 P-5, 2 P-2 and 11 local level posts), the same number and level as those of the Kingston Office for the Law of the Sea. The Committee understands that this interim secretariat will be assisted in a number of ways by the United Nations Secretariat in setting up an administrative structure. On the assumption that the Secretary-General of the Authority is elected in March 1996, the staff resources for the period from 1 April to 31 May 1996 are estimated at 16 posts (1 Under-Secretary-General, 2 P-5 and 13 local level posts). For the period after 31 May 1996, the budget estimates provide for 23 posts (1 Under-Secretary-General, 1 D-2, 2 P-5, 2 P-2 and 17 local level posts). In view of the functions to be performed, it is the opinion of the Committee that the number of local level posts appears to be high. The Committee recommends that 14 local level posts be approved for the period after 31 May 1996; the consequential reduction would be $29,700. The Committee was informed that United Nations standards were applied to the costing of posts.

13. Paragraph 31 of the report of the Secretary-General makes provision of $54,400 under "General temporary assistance". The Advisory Committee notes that the services to be supported under this estimate include additional secretaries, administrative assistants, research assistants, data and information assistants, library assistants and messengers. In this connection, the Committee recalls what it stated in its first report on the proposed programme budget for the biennium 1996-1997[2] that, as a rule, general temporary assistance should be used for additional staff during peak workload periods and for the replacement of

staff on prolonged sick leave or maternity leave. The Committee trusts that the use of resources for general temporary assistance will be limited to the purposes intended. Should there be a need for additional staff, they should be justified through specific requests.

14. Provision of $20,000 is made in paragraph 32 of the report of the Secretary-General under "Consultants". Upon enquiry, the Advisory Committee was informed that, if the Secretary-General of the Authority is elected in March 1996, consultants will be necessary to assist the small interim secretariat at Kingston to prepare the budget of the Authority.

15. In paragraph 39 of the report of the Secretary-General, provision of $18,000 is made under "Local transportation". In view of the fact that this item has appeared in a number of budget presentations, the Secretary-General is requested to provide a policy on the issue. It is the view of the Advisory Committee, for example, that staff being assisted with transportation should also make a contribution.

16. Taking into account the above comments, the Advisory Committee recommends approval of an additional appropriation of $532,200 under section 33 (International Seabed Authority) of the proposed programme budget for the biennium 1996-1997.

Notes

[1] Official Records of the General Assembly, Forty-ninth Session, Supplement No. 7 (A/49/7/Add.1-14), document A/49/7/Add.3.

[2] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), para. 68.

ANNEX

Conference-servicing estimates for the International Seabed Authority for 1996

A. Cost estimates (for 5 weeks) (as per A/C.5/50/28)	(United States dollars)		
	March 1996 (3 weeks)	August 1996 (2 weeks)	Total
Pre-session documentation (ACEFRS)	33 300	67 200	100 500
Meeting servicing (ACEFRS)	573 300	451 800	1 025 100[a]
In-session documentation (ACEFRS)	35 500	89 000	124 500
Post-session documentation (ACEFRS)	34 000	34 800	68 800
Total	676 100	642 800	1 318 900
B. Cost estimates (for 4 weeks)	March 1996 (2 weeks)	August 1996 (2 weeks)	Total
Pre-session documentation (ACEFRS)	33 300	67 200	100 500
Meeting servicing (ACEFRS)	451 800	451 800	903 600[a]
In-session documentation (ACEFRS)	35 500	89 000	124 500
Post-session documentation (ACEFRS)	34 000	34 800	68 800
Total	554 600	642 800	1 197 400
C. Documentation[b]	(Total number of pages)		
Pre-session	30	180	
In-session	120	240	
Post-session	60	90	

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[a] Savings of approximately $121,500 would come from daily subsistence allowance and salaries of conference-servicing staff brought to the meeting site.

[b] There will be no change in documentation requirements even though the first session is shortened to a two-week period.

DOCUMENT A/50/7/Add.7

Eighth report

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for the year 1995

[Original: English]

[6 December 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General in document A/C.5/50/24 and Corr.1 on the financial implications, for the bienniums 1994-1995 and 1996-1997, of a number of decisions and recommendations of the International Civil Service Commission (ICSC) submitted to the General Assembly at its fiftieth session, as contained in the report of ICSC for the year 1995.[1] As it has done in the past, the Committee has confined its consideration of financial implications of recommendations contained in the report of ICSC to those submitted to the General Assembly by the Secretary-General in his statement. The Committee has not commented on the recommendations themselves or their underlying methodology. Furthermore, the Committee understands from the information provided by the ICSC secretariat that the calculations have been derived from personnel statistics on the United Nations system as a whole. They apply to staff rather than posts, using as a standard a P-4, step VI, grade-level, which is the matching point of the common system scale with the GS-13 and GS-14 levels of the comparator civil service.

2. As indicated in paragraphs 1 and 25 of the statement of the Secretary-General, financial implications of the recommendations of ICSC amount to a net increase of $37.7 million ($14.8 million in 1996 and $22.9 million in 1997) for the regular budget. These include, with regard to changes in the remuneration of the Professional and higher categories of staff, (a) increases in the base/floor salary scale, restructuring of the scale and scaling forward of post adjustment indices; (b) treatment of pension contributions in place-to-place and time-to-time adjustments of the post adjustment indices; and (c) out-of-area component for group I duty stations. As regards staff in the General Service and other locally recruited categories of staff, implications are provided in respect of surveys of best prevailing conditions of employment in New York, Geneva and Rome.

3. The Advisory Committee notes from paragraphs 6 and 9 of the statement of the Secretary-General that, in order to restore the ratio of the net remuneration of United Nations staff to 115 per cent of the net remuneration of the United States federal civil service in Washington, the Commission has recommended to the General Assembly: (a) an adjustment in the current base/floor salary scale of the United Nations common system, reflecting an increase of 3.089 per cent, with effect from 1 March 1996; and (b) an increase of 5.1 per cent in post adjustment indices at all duty stations, as of 1 July 1996. Adjustments in the base/salary scale of the United Nations common system are designed to parallel those of the comparator. Accordingly, the 3.089 per cent increase in the United Nations base/floor salary scale follows, with a 15-month time-lag, a 3.22 per cent increase in the comparator's gross salaries (i.e., before taxes) in 1995 (in Washington).

4. As indicated in paragraph 249 of the report of ICSC, the combined effect of the ICSC proposals would bring the United Nations/United States net remuneration margin to around the mid-point of 115 for the year 1996 by application of net remuneration increases which would amount to between 9 and 10 per cent on a weighted average basis. Annex X to the report of the Commission provides the proposed restructured net base salary scale for the Professional and higher categories; annex XII explains the application of the scaling-forward method of adjusting net remuneration levels. As the method operates on post adjustment indices, rather than on base salaries, allowances linked to the base/floor salary scale (i.e., mobility, hardship, separation and hazard pay) are unaffected by the adjustment. The Committee notes from paragraph 4 of the statement of the Secretary-General that ICSC will review the mobility and hardship scheme in 1996.

5. The Advisory Committee recommends that the Secretary-General include, in the next presentation of the administrative and financial implications of the recommendations of ICSC, a complete explanation and justification of the methodology used to calculate numbers of staff and percentages applicable to the United Nations.

6. Upon request, the Advisory Committee was provided with tabulations of the financial implications of the ICSC proposals contained in its report (see the annex to the present document). The Committee notes that, at the present time, the United Nations has approximately 4,950 Professional and higher categories of staff (27 per cent of 18,650 common system Professional and higher categories of staff). Of these, 3,410 or 69 per cent are charged to the regular budget and 1,810 to extrabudgetary funds. The Committee notes from paragraphs 6, 10 and 25 of the statement of the Secretary-General that the costs to the United Nations regular budget of the increase in the base/floor salary scale and the scaling forward of the post adjustment indices for the Professional and higher categories of staff amount to $47.5 million ($18.2 million in 1996 and $29.3 million in 1997). This comprises an increase of $24.8 million in the base/floor salary ($10.6 million in 1996 and $14.2 million in 1997) and $22.7 million of the scaling forward of the post adjustment ($7.6 million in 1996 and $15.1 million in 1997).

7. With respect to the 1,810 extrabudgetary staff of the United Nations, the Advisory Committee was informed that the financial implications amount to $21.4 million ($8.2 million in 1996 and $13.2 million in 1997). This comprises an increase of $11.2 million in the base/floor salary ($4.8 million in 1996 and $6.4 million in 1997) and $10.2 million of the scaling forward of the post adjustment ($3.4 million in 1996 and $6.8 million in 1997).

8. Upon enquiry, the Advisory Committee was provided with information on the cost to the United Nations in the biennium 1996-1997 of the increase in the post adjustment authorized by ICSC, with effect from 1 November 1995. The costs of this action, which is not part of the ICSC recommendations currently before the General Assembly, total $15.6 million under the expenditure sections and under Income section 3 (Services to the public) of the proposed programme budget for the biennium 1996-1997. It was indicated that, for New York, the increase in the post adjustment of 6.7 per cent has been partially anticipated by the rate of projected inflation applied to the proposed programme budget. Costs to the extrabudgetary component of the United Nations budget are estimated at $7.4 million.

9. For the reasons explained in paragraphs 271 to 274 of the report of ICSC, and, as indicated in paragraphs 11 and 12 of the statement of the Secretary-

General, the introduction in 1990 of a revised procedure for handling the pension component of the post adjustment index had inadvertently resulted in a systematic understatement of the post adjustment indices for all duty stations, which affected the real income of the staff. In order to correct the situation, the Commission decided that, with effect from the next adjustment of the global scale of pensionable remuneration for staff in the Professional and higher categories, actual pension contributions in time-to-time adjustments of the post adjustment index should be used.

10. As indicated in paragraph 12 of the statement of the Secretary-General, ICSC concluded that some savings had accrued to Member States since 1990 (approximately $4 million per year), as a result of the underestimation of the post adjustment indices mentioned above. The Advisory Committee notes from paragraph 25 of the statement of the Secretary-General that the additional costs to the United Nations regular budget are estimated to be $452,000 in 1995, $2.7 million in 1996 and $670,700 in 1997. The extrabudgetary costs are estimated to be $203,271 in 1995, $1.2 million in 1996 and $301,300 in 1997.

11. With the objective of stabilizing take-home pay in local currency in certain duty stations, ICSC has decided to introduce, with effect from 1 November 1995, a procedure whereby actual out-of-area weights rather than the existing 10 per cent band system will be used in calculations of indices of post adjustment for all group I duty stations[2] (i.e., in duty stations that are located in Western European countries, the United States of America, Canada, Japan, Hong Kong, the Republic of Korea, Australia and French Guiana). In paragraph 14 of his statement, the Secretary-General estimates that, as a result, savings of approximately $931,500 in 1996 and $1.9 million in 1997 will accrue to Member States.

12. The Advisory Committee notes that, with regard to the financial implications of surveys of best prevailing conditions of employment in New York, Geneva and Rome, savings of approximately $10.4 million ($5.2 million in 1996 and $5.2 million in 1997) will accrue to the regular budget.

Notes

[1] Official Records of the General Assembly, Fiftieth Session, Supplement No. 30 (A/50/30).

[2] Ibid., para. 294.

ANNEX

Financial implications of the report of the International Civil Service Commission for the year 1995

Basic data

Number of staff in the Professional and higher categories

	Common system			United Nations	
	Regular budget	Extrabudgetary	Total	Regular budget	Extrabudgetary
Headquarters	6 640 (74 per cent)	2 270 (26 per cent)	8 910 (100 per cent)	3 410	1 540
Field	3 880	5 860	9 740		
Total	10 520 (56 per cent)	8 130 (44 per cent)	18 650 (100 per cent)		

Average emoluments: (Standard costs New York)	$82,144 (average base salary, at the dependency rate + average post adjustment + dependency allowance for one child)
Average pensionable remuneration:	$87,980
Value of index point at P-4, step VI:	$541 (1 per cent of base salary of $54,123)

The United Nations employs 4,950 out of the 18,650 common system Professional staff (27 per cent). The costs with respect to 3,410 staff (69 per cent of these 4,950 staff) are charged to the regular budget.

Professional salaries

The International Civil Service Commission (ICSC) estimated $157.4 million per annum for total common system costs, broken down as follows:

	Thousands of United States dollars
(a) Base/floor salary scale	
(i) Remuneration increase	73 800
(ii) Mobility and hardship allowance	1 881
(iii) Countries with multiplier lower than 3.1	33
(iv) Separation payments scale	402
(v) Hazard pay	211
Subtotal (a)	76 327
(b) Scaling forward of post adjustment indices by 5.1 per cent	81 100
Total (a) + (b)	157 427

In 1996, the remuneration adjustments related to the base/floor salary scale as shown in (a) would be implemented as of 1 March and the remuneration adjustments related to the scaling forward of post adjustment indices as shown in (b) would be implemented as of 1 July 1996; the estimated financial implications thus would amount to $103.6 million, which is less than the total of (a) and (b) above.

The United Nations employs 27 per cent of the common system Professional staff; therefore, for 1996, the financial implications for the United Nations would amount to $28.0 million (27 per cent of $103.6 million). Of this figure, $19.3 million (69 per cent) would be charged to the regular budget.

For 1997, the financial implications for the United Nations would amount to $42.5 million (27 per cent of $157.4 million). Of this figure, $29.3 million (69 per cent) would be charged to the regular budget.

Base/floor salary scale

The financial implications for the United Nations common system associated with the recommendation of ICSC regarding only the base/floor salary scale for the United Nations common system were estimated by ICSC to be $76.3 million per year ($57 million in 1996). The estimated cost to the United Nations regular budget in 1996 would be $10.6 million (27 per cent of $57 million for the common system = $15.4 million for the United Nations; 69 per cent of $15.4 million = $10.6 million for the regular budget); the estimated cost to the regular budget in 1997 would be $14.2 million (27 per cent of $76.3 million = $20.6 million for the common system; 69 per cent of $20.6 million = $14.2 million for the regular budget).

The financial implications for duty stations with a post adjustment multiplier lower than 3.1 were estimated by ICSC to be $33,000 for 1996; the cost to the United Nations regular budget was calculated on the basis of $541 per multiplier point. Two countries were classified under this category: Swaziland, with a post adjustment multiplier of 2.3, revised as at 1 November to 0.0, and 1 United Nations staff member; and Tajikistan, with a post adjustment multiplier of 2.0 and no United Nations staff. Therefore, there would be no cost incurred with respect to the United Nations regular budget.

The financial impact on the mobility and hardship matrix was estimated by ICSC to be $1,881,000 per year. The estimated cost to the United Nations would be $507,870 (27 per cent of $1,881,000). Of this amount, $350,430 would be charged to the regular budget, while $157,440 would represent extrabudgetary costs. For 1996, the estimated cost to the regular budget would be $262,820.

The system-wide financial implications of the 3.1 per cent increase in the separation payments scale were estimated by ICSC to be $402,000 ($301,500 for 1996). The estimated cost to the United Nations would be $81,405, of which $56,170 would be charged to the regular budget. For 1997, the estimated cost to the United Nations would be $108,540, of which $74,890 would be charged to the regular budget.

The financial implications of the implementation of the base/floor salary scale with respect to hazard pay were estimated by ICSC to be $211,000. In 1997, the cost to the United Nations would be $56,970, of which $39,310 would be charged to the regular budget; for 1996, the cost to the regular budget would be $29,480.

For 1996, the financial implications for the United Nations regular budget of the increase in remuneration levels were estimated to be $10,251,530; the implications of all other remuneration elements would total $348,470. For 1997, the financial implications would amount to $13,735,370 and $464,630 respectively.

As at 1 July 1995, the staff assessment contribution at the P-4, step VI, level amounted to $22,442. With effect from 1 March 1996, the contribution would be $23,120, representing a difference of $678 per year or $56.50 per month. Thus, for a 10-month period in 1996, the difference would come to $565.

The Commission's recommendation to scale forward all post adjustment indices as of 1 July 1996 by 5.1 per cent would involve a cost of $40,550,000. For the United Nations, the cost incurred would be 27 per cent of this figure, or $10,949,000. Of this amount, the cost to the regular budget would be 69 per cent or $7,555,000. (The cost to the regular budget for a full year would be $15.1 million.)

Pension contributions/post adjustment indices

The financial implications with respect to pension contributions/post adjustment indices were estimated by ICSC to be $17 million for 14 months (1 November 1995-31 December 1996). The estimated cost for one month would therefore be $1,214,300; for the two months in 1995, the cost to the common system would amount to $2,428,570. The cost to the United Nations would be $655,714 (27 per cent), of which $452,443 (69 per cent) would be charged to the United Nations regular budget. For 1996, the cost to the common system would amount to $14,571,600, while the cost to the United Nations would be $3,934,330 (27 per cent), of which $2,714,700 (69 per cent) would be charged to the United Nations regular budget. For 1997, the Commission estimated the annual common system costs to be $3.6 million, of which the total cost for the United Nations would amount to $972,000, including $670,700 for the regular budget.

Out-of-area/group I duty stations

With respect to the out-of-area component for group I duty stations, ICSC estimated the cost reduction to be $5 million for 1996, and $10 million per year thereafter. For 1996, ICSC estimated the cost reduction for the United Nations to be $1.4 million, of which $931,500 would apply to the regular budget; for 1997, the estimated cost reduction for the United Nations regular budget would be $1.9 million out of total budgetary savings of $2.8 million.

General Service salary surveys

(a) New York

(i) Additional expenditures

	Total	Other	United Nations
	(United States dollars)		
General Service (United Nations: 2,400 staff) 1.13 per cent increase (January 1995)	1 552 667	661 610	891 057
Public Information Assistants (United Nations: 22 staff) 1.13 per cent increase (January 1995)	7 458		7 458
Language Teachers (United Nations: 17 staff) 0.15 per cent increase (January 1995)	10 940		10 940
Total additional expenditures	1 571 065	661 610	909 455

(ii) Reduced expenditures

The following figures represent reductions in expenditures resulting from the non-implementation of the 2.45 per cent cost-of-living adjustment which was due as from 1 September 1994, and the non-implementation of a further adjustment of approximately 2.5 per cent, which has been projected for 1995.

	Reductions (United States dollars)
Trades and crafts (268 United Nations staff)	
Implementation of 1.4 per cent increase in net salary based on survey results (September 1994) vs. 2.45 per cent in cost-of-living adjustment	(95 000)
Non-implementation of 1995 cost-of-living adjustment	(290 000)
Security service (244 United Nations staff) (Survey found 4.3 per cent decrease required in net salary)	
Non-implementation of 2.45 per cent cost-of-living adjustment in September 1994	(274 000)
Non-implementation of 1995 cost-of-living adjustment	(285 000)
Total projected reduction in expenditures	(944 000)

(iii) Additional expenditures regarding revised allowances

Dependent spouse allowance

The allowance has increased by $804; the revised rate is $3,038 (the 1993 rate was $2,234).

Currently, 3,418 staff members are in receipt of the allowance. Therefore, the additional expenditures in this regard for the common system amount to $2.7 million; the United Nations share is $1,210,000.

Child allowance

The allowance increased by $5; the revised allowance is $1,181, (the previous rate was $1,176).

Currently, 3,228 staff members are in receipt of the allowance. The additional expenditures in this regard amount to $16,000; the United Nations share is equivalent to $7,170.

(iv) Summary of financial implications for New York

	(United States dollars)	
	United Nations	Total
Salaries	909 455	1 571 065
Spouse allowance	1 210 000	2 700 000
Child allowance	7 170	16 000
	2 126 625	4 287 065
Reduction in expenditures	(944 000)	(944 000)
Balance	1 182 625	3 343 065

(b) Rome

Additional expenditures

The survey of best prevailing conditions of employment for Rome resulted in a 1.4 per cent increase in the salary scale, which contributed to an increase in expenditures of approximately $3,940,000 for 2,356 General Service staff. The share in additional expenditures for the United Nations is approximately $23,400 (for 14 General Service staff).

(c) Geneva

The survey of best prevailing conditions of employment for Geneva indicated that United Nations salaries were overall 7.4 per cent higher than those for the retained comparators. The Under-Secretary-General, Department of Administration and Management, decided that a scale reduced by 7.4 per cent would be implemented with effect from 1 September 1995 for staff recruited after 31 August 1995. Staff recruited prior to 1 September 1995 would continue to be paid on the basis of the previous scale (i.e., 7.4 per cent higher) until that scale was overtaken by movements in the cost of living applied to the lower scale.

The effect of that decision resulted in a reduction in expenditures of approximately $5.6 million for the United Nations common system at Geneva, since the scale reduced by 7.4 per cent was implemented only for staff recruited after 31 August 1995; the share in reduced expenditures for the United Nations would be approximately $1.5 million for 1995.

The above calculations are based on the mid-point of the General Service scale (G-4, step VI), involving a total of 4,717 locally recruited staff (all agencies), out of which 1,278 are United Nations locally recruited staff. The figures have been calculated using the latest exchange rate of 1.15 Swiss francs per United States dollar.

DOCUMENT A/50/7/Add.8

Ninth report

Reform of the internal system of justice in the United Nations Secretariat

[Original: English]

[8 December 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the reform of the internal system of justice in the United Nations Secretariat (A/C.5/50/2). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. The Advisory Committee recalls that the report of the Secretary-General is a consolidation of his earlier reports: the report of 18 March 1995,[1] containing the major elements of the proposed reform, the addendum of 9 June 1995,[2] on the financial implications of the reform, and the addendum of 26 June 1995,[3] amending the original proposal. The report of the Secretary-General has now been supplemented by document A/C.5/50/2/Add.1, which contains further comments by the Secretary-General, comments by the New York Staff Union and further comments by the Administrative Tribunal.

3. The Advisory Committee recalls that much of the attention paid in recent years to the subject of the "administration of justice" stems from comments made by the Committee in its first report on the proposed programme budget for the biennium 1986-1987.[4] In paragraph 69 of that report, the Committee noted that the Organization was facing:

> "significant and growing problems in the form of the multiplicity of time-consuming and cumbersome procedures (particularly for performance review actions), the growing numbers of appeals and other grievances which are filed, and long delays in the administration of justice."

In paragraph 71, the Committee indicated that there was:

> "an urgent need to simplify administrative procedures with a view to achieving a significant reduction in the number of cases requiring full-scale formal review."

4. Pointing out that those matters had a major financial impact that Member States could not ignore, not only in direct costs but also in staff time and distraction from work, the Advisory Committee recommended a focus on the following:

(a) Simplifying rules and procedures so that staff members could more easily inform themselves of their rights and obligations. In that way, misunderstandings and appeals as the result of confusion over the proper interpretation of complex texts could be minimized;

(b) Identifying those aspects of staff administration that gave rise to an inordinate number of appeals, with a view to reform in those areas;

(c) Streamlining the appeals procedures so as to provide for (i) quick settlement of minor disputes prior to the appeals stage, (ii) a mechanism to reject applications for review that were frivolous and (iii) more efficient handling of cases that reached the Joint Appeals Board (JAB) and the Administrative Tribunal.

5. The Advisory Committee stressed that, in making its recommendation, it was not intended to impose any specific set of solutions or to interfere with the Secretary-General's responsibility to administer the staff. However, in the light of the situation referred to, the Committee believed that the General Assembly should be given the necessary information to assure itself that the causes of the problem had been identified and that solutions had been formulated.

6. It is against this background that the Advisory Committee has, since May 1995, been reviewing the proposals in the various documents submitted by the Secretary-General. The current proposals on reform of the internal system of justice are a follow-up to an earlier report dated 8 November 1994[5] enumerating basic concepts and were submitted pursuant to the request of the General Assembly in its resolution 49/222 A of 23 December 1994.

7. In paragraph 6 of his most recent report (A/C.5/50/2), the Secretary-General indicates that the purpose of the proposed reform is threefold:

(a) To enhance earlier reconciliation and resolution of disputes before they develop into formal litigation;

(b) To professionalize the membership of appeals and disciplinary boards and to provide them with the means to dispose of cases in a more expeditious yet fair fashion;

(c) To provide a cost-effective and simple justice system, with the elimination of hidden costs and cross-subsidization.

8. With regard to the early reconciliation and resolution of disputes (ibid., sect. II), the Advisory Committee notes that the Secretary-General proposes to provide training in the early resolution of conflicts; appoint ombudsman panels at all major duty stations to deal with disagreements, grievances and discrimination issues raised informally by staff members; and increase the capacity of the Secretariat to conduct effective reviews of administrative decisions at an early stage of the process.

9. The Advisory Committee notes from paragraph 9 of the above-mentioned report that new training programmes provided for in the biennium 1994-1995 have been designed to improve communication skills and dispute resolution techniques. The Committee also notes that executive and personnel officers as well as administrators are currently going through training that will allow them to identify the real concerns of staff members.

10. In paragraphs 10 to 13 of the same report, the Secretary-General discusses the establishment of ombudsman panels at all major duty stations to deal with disagreements, grievances and discrimination issues raised by staff members. The ombudsman panels, to be appointed by existing staff-management machinery, will replace the current panels on discrimination and other grievances. The Committee notes that the difference between the proposed ombudsman panels and the existing discrimination panels is that the former will emphasize mediation between the parties in order to resolve disputes before they develop into formal

litigation. Members of the ombudsman panels will also be trained as part of the training programme.

11. In paragraph 12 of his report, the Secretary-General proposes to establish a post of Coordinator at the D-1 level to organize, train and guide the ombudsman panels. The Advisory Committee notes that, in addition, should the General Assembly approve the proposal of the Secretary-General, an amount of $41,300 would be required in 1996-1997 for travel of the Coordinator to help to establish ombudsman panels at the various duty stations.

12. The Advisory Committee welcomes the intention of the Secretary-General to facilitate early reconciliation and resolution of disputes since this should help to reduce the number of cases that would require formal review consistent with the previous call to this effect by the Committee (see para. 3 above). To this end, the Committee concurs in the proposed appointment of ombudsmen and mediation panels at all major duty stations and the provision of a D-1 post for the appointment of a Coordinator.

13. In order to increase capacity to conduct effective reviews of administrative decisions, the Secretary-General, in paragraph 14 of his report, proposes the establishment of two review officer posts, one at the P-5 level and one at the P-4 level. It is also proposed that review of these decisions be conducted within the Office of the Under-Secretary-General for Administration and Management, independently of the official in that office who provides advice on decisions to be taken on recommendations received from advisory bodies in appeal and disciplinary cases. The Secretary-General also proposes to amend staff rule 111.2 (a) to provide a three-month time-limit for staff members to request administrative review and to amend staff rule 111.2 (a) (ii) to provide a two-month review period for cases arising in New York and a three-month review period for all other cases.

14. The Committee recognizes the necessity of ensuring that the initial review of administrative decisions be carried out thoroughly and expeditiously; it trusts that the measures indicated in the report of the Secretary-General will be effective and, to this end, the Committee recommends acceptance of the proposed new P-4 and P-5 posts. The Committee further recommends that the unit be accorded operational independence so as to ensure objectivity and efficiency.

15. Section III of the report of the Secretary-General deals with professionalizing the justice system. The Secretary-General proposes to replace JAB by an Arbitration Board, replace the Joint Disciplinary Committee (JDC) by a Disciplinary Board and strengthen the Panel of Counsel.

16. Paragraphs 18 to 53 of the report of the Secretary-General cover the proposal to establish the Arbitration Board. The reasons put forward for this proposal include the insufficient number of volunteers on which the current system relies, the lack of professional training by those who serve to consider cases, delays in processing of cases resulting from lack of professional knowledge and the high cost of the current system represented by the time JAB members and chairpersons spend on each case, away from their regular duties. The Advisory Committee is also aware of a statement made by the Secretary-General in document A/C.5/49/CRP.2 that:

> "The studies and conclusions leading to this report were essentially guided by the principles of due process and of the rule of law, including the principle laid in the International Covenant on Civil and Political Rights and in the 13 July 1954 advisory opinion of the International Court of

> Justice which required the United Nations to establish for its staff a 'judicial or arbitral remedy' system for the settlement of any disputes which may arise between it and them. Proposals put forward in report A/C.5/49/13 are therefore in line with these principles."

17. The Advisory Committee notes in paragraph 38 of the report of the Secretary-General that the Arbitration Board is to be established by statute promulgated by the Secretary-General. Annexes I and II to the report of the Secretary-General provide changes to the Staff Regulations and Staff Rules to permit the establishment of the Arbitration Board and a draft of the statute.

18. To provide for the independence of the arbitrators, the Secretary-General proposes that they will be "officials" of the United Nations and not staff members. Should the General Assembly agree to the creation of an Arbitration Board, the Committee believes that a way would have to be found to ensure the operational independence of the arbitrators without creating a separate and potentially confusing category of non-elected official.

19. The Advisory Committee notes from article 3 of the draft statute that the Arbitration Board will be composed of 10 members (i.e., a Chairperson, an alternate Chairperson, 4 members and 4 alternate members).

20. With regard to the remuneration of the Arbitration Board Chairpersons, the Secretary-General intends to establish the annual compensation of the Chairperson and Alternate Chairperson at a level equivalent to the base salary and daily subsistence allowance payable to United Nations staff members at the Director (D-2) level, step VI, serving at Headquarters and Geneva respectively, which would amount to $249,200 for the Chairperson and $267,500 for the Alternate Chairperson on a biennial basis.

21. The members and alternate members of the Arbitration Board would receive for each day they exercise their functions during scheduled sessions at Headquarters and at Geneva, one three-hundred-and-sixty-fifth of the annual compensation equivalent to the base salary and daily subsistence allowance payable to United Nations staff members at the Director (D-2) level, step I, serving at Headquarters and Geneva respectively. The Advisory Committee points out that the rationale for the packages of remuneration described in this and the preceding paragraph, which are unlike any existing pay arrangement, is unclear. If accepted by the General Assembly, these arrangements should be seen as sui generis.

22. The Advisory Committee notes from paragraph 30 of his report that the Secretary-General intends to accept the unanimous recommendation of the Arbitration Board unless there is a compelling reason of law or policy not to do so.

23. The Advisory Committee also notes that the Secretary-General intends to introduce optional binding arbitration proceedings in cases where disputes involve purely factual issues or where the amounts involved are relatively small.

24. The proposal to replace JAB with an Arbitration Board has raised a number of concerns. In this connection, the Advisory Committee requested that it be provided with comments made on those proposals by the Administrative Tribunal. These were subsequently issued as an annex to document A/C.5/49/60/Add.2. More recently, further comments have been issued by the Tribunal and issued as annex I to document A/C.5/50/2/Add.1. As can be seen from these documents, the

Tribunal has expressed reservations and doubts with regard to a number of aspects of the proposals for an Arbitration Board.

25. According to the Tribunal, the cost implications may be greater than currently anticipated since the concept of a single Arbitration Board with two members serving on a part-time basis may prove to be insufficient for the tasks to be performed and additional full and/or part-time arbitrators may be required. In the opinion of the Tribunal, there may also be requirements for ancillary services, such as transcriptions of testimony. In the view of the Tribunal, there will also probably be a need for additional staff to support the Board. If the Tribunal is correct in its assessment, the related costs, in the opinion of the Advisory Committee, would have to be reviewed.

26. The Advisory Committee points out that, since the comments of the Tribunal referred to in paragraph 25 above were made, the Secretary-General has amended his proposal to provide for the Geneva section to be headed by a full-time Alternate Chairperson (see A/C.5/50/2, para. 41). Thus, both the New York and Geneva sections would consist of a full-time Chairperson/Alternate Chairperson, two part-time members and two part-time alternate members.

27. The Advisory Committee enquired as to the projected staff requirements for the Arbitration Board in New York and Geneva; it is still unclear to the Committee exactly what these requirements might be or how they would be met. As can be seen from the financial summary in paragraph 69 of the report of the Secretary-General, no mention is made of secretariat or other services for the Board.

28. Additional information received from the Administrative Tribunal indicates that, in its opinion, the proposed daily fee for fully qualified part-time arbitrators and the remuneration proposed for the full-time Chairperson plus per diem when on travel status may not reflect the current level of such fees for professional arbitrators.

29. In its most recent comments, the Tribunal reconfirmed its previous comments (see A/C.5/50/2/Add.1, annex I, para. 9) and further elaborated on its views with regard to estimated costs. The Tribunal observed that "time requirements indicate that the arbitration structure is likely to be significantly more expensive than the estimate suggests" as it relates to the salary and per diem figures for the non-full-time members in New York. The Tribunal also notes that clerical and secretarial costs (if any) incurred by part-time arbitrators when working on cases in their own offices away from Headquarters have not been included in the estimate.

30. Concerns have also been expressed by the Staff Union in comments that have been reproduced as annex II to document A/C.5/50/2/Add.1. These include the need for a selection process that would ensure truly independent arbitrators. The Staff Union also raises concerns with regard to the provision of adequate legal representation for staff and the question of binding arbitration.

31. The Advisory Committee believes that there are still issues to be addressed with regard to the proposal for an Arbitration Board. Bearing in mind the provisions of General Assembly resolution 49/222 A, the Advisory Committee recommends that more work be done before the creation of an Arbitration Board is further considered by the Assembly (see para. 40 below).

32. Paragraphs 54 to 68 of the report of the Secretary-General discuss the proposal to replace JDC by a Disciplinary Board composed of qualified

professionals. Annexes I and IV to the report of the Secretary-General provide changes to the Staff Rules required for the proposed reform process and the draft statute of the Disciplinary Board.

33. The reasons for the proposal to reform the disciplinary process include the delays in the current system and the insufficient number of JDC members with specialized knowledge in technical areas, such as taxes and procurement.

34. The Advisory Committee notes from paragraph 56 of the report of the Secretary-General that, in contrast to the case of the proposed Arbitration Board, staff members would serve as members of the Disciplinary Board.

35. The Secretary-General proposes that the New York section of the Disciplinary Board be chaired by the Chairperson of the Arbitration Board and that the Geneva section be chaired by the Alternate Chairperson of the Arbitration Board.

36. In view of the close link between the Arbitration Board and the Disciplinary Board and in view of the recommendation of the Advisory Committee in paragraph 31 above with regard to the Arbitration Board, the Committee recommends that the establishment of a Disciplinary Board be reconsidered in conjunction with the further consideration of the establishment of an Arbitration Board (see para. 40 below).

37. With regard to the Panel of Counsel, the Secretary-General proposes to create a post of Legal Officer at the P-4 level and a General Service post at the Principal level. The Legal Officer will advise staff as to whether they may have a valid case and, if so, how to proceed. The Legal Officer will also advise staff members who are the object of disciplinary proceedings. The Advisory Committee sees this as a step in the right direction and recommends acceptance of the additional posts. The Committee agrees that resources should be provided for the training of Panel of Counsel members.

Conclusion

38. The Advisory Committee points out that, since it first drew attention to the problem concerning the expeditious processing of cases, much progress has been made. The Committee believes that the heart of the problem now lies in the growing number of administrative grievances. Proposals related to the early reconciliation and resolution of disputes should, hopefully, go a long way towards minimizing the actual number of matters referred to formal proceedings.

39. The Advisory Committee is not aware that enough has been done to respond to its earlier calls for simplifying rules and procedures so that misunderstandings can be avoided and identifying those aspects of staff administration which give rise to an inordinate number of appeals with a view to reform in these areas.

40. The Advisory Committee believes that the fostering of conciliation and the early resolution of disputes; the strengthening of the Administrative Review Unit and the Panel of Counsel; and the simplification/rationalization of existing administrative and personnel practices should address in a positive way the problems and shortcomings that currently exist. After a reasonable period of implementation, the effect of these changes should be evaluated with a view to determining what further measures might be necessary.

Financial implications

41. The recommendations of the Advisory Committee in the paragraphs above would give rise to requirements of $629,200 under section 26A (Office of the Under-Secretary-General for Administration and Management) of the proposed programme budget for the biennium 1996-1997 as follows:

Establishment of new posts	United States dollars
1 Coordinator (D-1)	
2 Review Officers (1 P-5, 1 P-4)	
1 Legal Officer (P-4)	
1 General Service (Principal level)	587 900
Travel costs of the Coordinator	41 300
Total	629 200

Notes

[1] A/C.5/49/60.

[2] A/C.5/49/60/Add.1.

[3] A/C.5/49/60/Add.2 and Corr.1.

[4] *Official Records of the General Assembly, Fortieth Session, Supplement No. 7* (A/40/7).

[5] A/C.5/49/13.

DOCUMENT A/50/7/Add.9

Tenth report

United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala - Revised estimates under section 3 (Peacekeeping operations and special missions), section 32 (Staff assessment) and income section 1 (Income from staff assessment)

[Original: English]

[12 December 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/50/26) on revised estimates under section 3 (Peacekeeping operations and special missions), section 32 (Staff assessment) and income section 1 (Income from staff assessment) of the proposed programme budget for the biennium 1996-1997.

2. The Advisory Committee recalls that the United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (MINUGUA) was established by the General Assembly by its resolution 48/267 of 19 September 1994 for an initial period of six months, with the mandate to verify implementation of the Comprehensive Agreement on Human Rights,[1] signed by the Government of Guatemala and the Unidad Revolucionaria Nacional Guatemalteca (URNG) at Mexico City on 29 March 1994.

3. In its resolution 49/220 A of 23 December 1994, the General Assembly approved an appropriation of $10,069,600 for MINUGUA, including a complement of 113 international staff (51 at the Professional level, 35 General Service and 27 Field Service) and 135 local level staff, in addition to 72 United Nations Volunteers, 10 military observers and 60 civilian police.

4. In its resolution 49/236 A of 31 March 1995, the General Assembly decided to authorize the renewal of the mandate of the Mission for a further period of six months. Prior to the adoption of that resolution and based on the oral report[2] of the Advisory Committee on the statement of programme budget implications submitted by the Secretary-General,[3] the Fifth Committee informed the General Assembly that an additional appropriation of $10,069,600 would be required for the biennium 1994-1995 for activities during the period from 1 April to 30 September 1995, and that, should the Assembly decide to extend the mandate of MINUGUA beyond September 1995, the Secretary-General should be authorized to enter into commitments in an amount not to exceed $4,711,500 under section 4 (Peacekeeping operations and special missions) of the programme budget for the biennium 1994-1995 for activities during the period from 1 October to 31 December 1995.

5. For the period beyond September 1995, the Mission has been carrying out the mandate entrusted to it under the Comprehensive Agreement on Human Rights and operating on the basis of the commitment authority granted to the Secretary-General.

6. In its resolution 49/236 B of 14 September 1995, the General Assembly decided to authorize the renewal of the mandate of the Mission for a further

period of six months, until 18 March 1996, in accordance with the recommendations of the Secretary-General submitted in his report of 11 August 1995,[4] which, among other things, outlined the new activities to be undertaken by MINUGUA. These new activities emanate mainly from the Agreement on Identity and Rights of Indigenous Peoples between the Government of Guatemala and URNG, signed at Mexico City on 31 March 1995.[5]

7. The report of the Secretary-General under consideration (A/C.5/50/26) contains estimates under section 3, Peacekeeping operations and special missions, of the proposed programme budget for the biennium 1996-1997. It also outlines the additional requirements resulting from the extension of the mandate of MINUGUA in 1996 and requests an appropriation of $7,299,800 for the biennium 1996-1997 for the period from 1 January to 31 March 1996.

8. As indicated in paragraph 8 of the report, it is estimated that a reinforcement of the staffing of MINUGUA would be required, consisting of 14 additional international staff (1 P-5, 2 P-4, 4 P-3, 3 P-2 and 4 General Service, of whom 3 would be Security Officers) and 10 local level posts, in addition to 34 United Nations Volunteers. The additional staffing requirements, excluding the local level posts, are shown in tables 1 and 2 of the report. The Advisory Committee was also informed that, in addition, 14 consultants are being funded by the Trust Fund for the Guatemala peace process.

9. For the reasons given in paragraphs 10 and 11 of his report, the Secretary-General is requesting an additional P-5 post in the Office of the Director of the Mission. As can be seen from table 1 of the report, of the 10 Professional level posts in the Office of the Director, 3 posts are at the P-5 level, while overall there are 8 P-5 posts for the Mission. The Advisory Committee is not convinced that an additional P-5 post for the Mission is justified and believes that, with an overall restructuring and streamlining of the functions being performed by the current number of staff at the P-5 level, the political requirements of the Mission could be met within existing resources.

10. The Advisory Committee notes from paragraph 12 of the report of the Secretary-General that three additional Professional posts (2 P-4 and 1 P-3) have been requested in order to undertake responsibilities arising from the signing of the Agreement on Identity and Rights of Indigenous Peoples. The Committee was informed that, at the present time, there was only one staff member at the P-5 level assigned to the unit to deal with the tasks outlined in paragraph 12 of the report; the Committee was also informed that no consultancy services were being provided to the unit. Under the circumstances, the Committee recommends that the three additional posts (2 P-4 and 1 P-3) be approved.

11. The Advisory Committee notes from paragraph 14 of the report that the eight regional offices were originally staffed by eight Regional Coordinators and eight Political Affairs Officers. However, five of the eight Political Affairs Officers were subsequently assigned to head the subregional offices. The request being made therefore is for the provision of six additional posts (3 P-3 and 3 P-2) to replace the five Political Affairs Officer posts vacated in the regional offices and to reinforce the Guatemala City regional office. The Committee recommends approval of the additional posts.

12. The views of the Advisory Committee on the utilization of United Nations Volunteers for providing a wide range of services in peacekeeping and other missions have been reflected in its report on the administrative and budgetary aspects of the financing of United Nations peace-keeping missions,[6] as well as

its reports on individual missions. Volunteers are able to provide these services at a relatively low cost. The Committee recommends that the possibility be explored of having the tasks to be performed in the regional offices (which are, in any case, headed by Regional Coordinators) undertaken by Volunteers, appropriately supervised, instead of international staff.

13. As indicated in paragraph 17 of the report of the Secretary-General, an additional eight United Nations Volunteers would be assigned to the eight regional offices to carry out education and promotion tasks, coordinated by the MINUGUA Education and Promotion Unit, which, in conjunction with the Indigenous Affairs Unit, would design a comprehensive training programme aimed at indigenous leaders, civil and military authorities and non-governmental organizations. The Advisory Committee recommends approval of this proposal.

14. The Advisory Committee recommends approval of the request for 4 additional General Service staff, as proposed in paragraphs 8 and 19 of the report. The Committee also recommends an increase of 5 local level staff instead of the 10 indicated in paragraph 20 of the report. On enquiry, the Committee was informed that the existing 135 local level staff were working as security watchmen, drivers, secretaries and warehouse and logistics clerks, and performing administrative and financial duties.

15. On enquiry, the Advisory Committee was also informed that all the posts had been fully costed. Given the fact that it is not anticipated that all of the posts will be filled by 1 January 1996, the Committee recommends that full costing of the Professional posts would not be necessary and that these posts should be costed at 50 per cent.

16. The Advisory Committee believes that there are other areas of the estimates where savings could be realized. In the annex to the report, an amount of $29,900 has been indicated for consultancy services for the period from 1 January to 31 March 1996. From the information provided to it, the Committee believes that the services to be provided may be somewhat similar and may even overlap with the services being provided by the existing 14 consultants. While the Committee does not object to the request, it recommends that the possibility be explored of financing these services from the Trust Fund.

17. As indicated in the annex to the report, an amount of $280,000 has been estimated for the rental and maintenance of one fixed-wing aircraft for a period of three months at a monthly rate of $27,500 for 25 flight hours per month ($82,500) and 10 additional hours ($10,500), plus insurance and allowances ($23,500); and a tactical utility helicopter for 40 hours per month at a rate of $51,000 per month ($153,000) and 10 additional hours at a rate of $300 per hour ($9,000), plus allowances ($1,500). The Advisory Committee recommends that the contract for the rental of aircraft be renegotiated on an "as required" basis.

18. With regard to freight and related costs in the amount of $237,400 (calculated on the basis of 18 per cent of the estimated value of the vehicles), the Advisory Committee believes that some savings could be achieved if vehicles and other equipment were obtained from other missions in the area.

19. In the opinion of the Advisory Committee, the report does not indicate clearly the role of other United Nations agencies and programmes in the area vis-à-vis MINUGUA, nor does it reflect the extrabudgetary resources available to it. The Committee requests that this information be included in the next budget presentation for MINUGUA.

20. Taking into account its comments and observations in the paragraphs above, the Advisory Committee is of the opinion that an additional appropriation of $7,124,800 under section 3 (Peace-keeping operations and special missions) of the proposed programme budget for the biennium 1996-1997 would be required for the period from 1 January to 31 March 1996. An additional appropriation of $554,800 would be required under section 32 (Staff assessment) offset by the same amount under income section 1 (Income from staff assessment).

21. Should the General Assembly decide to extend the mandate of MINUGUA beyond 31 March 1996, the Advisory Committee recommends that the Secretary-General be authorized to enter into commitments in an amount not exceeding a monthly level of $2,329,700 for the duration of the mandate.

Notes

[1] A/48/928-S/1994/448, annex I; see Official Records of the Security Council, Forty-ninth Year, Supplement for April, May and June 1994, document S/1994/448.

[2] See Official Records of the General Assembly, Forty-ninth Session, Supplement No. 7, (A/49/7 and Add.1-14).

[3] A/C.5/49/61.

[4] A/49/955.

[5] A/49/882-S/1995/256, annex; see Official Records of the Security Council, Fiftieth Year, Supplement for April, May and June 1995, document S/1995/256.

[6] A/49/664.

DOCUMENT A/50/7/Add.10

Eleventh report

Revised estimates under section 1 (Overall policy-making, direction and coordination), section 32 (Staff assessment) and income section 1 (Income from staff assessment)

[Original: English]

[12 December 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/50/40) on revised estimates under section 1 (Overall policy-making, direction and coordination), section 32 (Staff assessment) and income section 1 (Income from staff assessment). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. As stated in paragraph 4 of the report of the Secretary-General, it is proposed that a temporary post at the under-secretary-general level be approved for the Special Adviser for the biennium 1996-1997; the related costs are estimated at $352,200, with an additional appropriation of $92,800 under section 32 (Staff assessment), offset by the same amount under income section 1 (Income from staff assessment). The functions of the post are broadly outlined in paragraphs 5 and 6 of the report.

3. During the biennium 1994-1995, the Secretary-General believed that, owing to the ad hoc evolving nature of the responsibilities and assignments entrusted to the Special Adviser, the related remuneration should be made available from the commitment authority granted to the Secretary-General in General Assembly resolution 48/229 of 23 December 1993 on unforeseen and extraordinary expenditures. However, the Advisory Committee, in its third report (see document A/50/7/Add.2 above, para. 12), pointed out that the resolution was not intended to cover the establishment of positions on a continuing basis and that positions that are required for the performance of functions of a continuing nature in the work of the United Nations should be budgeted in the United Nations regular budget for review and approval by the General Assembly through the Committee. The Secretary-General's revised estimates for the biennium 1996-1997 for this purpose are submitted in response to that comment of the Committee.

4. The Advisory Committee notes a lack of clarity on the coordination role of the Special Adviser vis-à-vis the coordination functions entrusted to certain heads of departments and programmes. In this connection, the Committee recalls its comments in the context of its examination of the proposed programme budget for the biennium 1994-1995[1] and the biennium 1996-1997[2] to the effect that care should be taken to ensure that there is no duplication with the work of other Secretariat units, departments or programmes and the Executive Office of the Secretary-General.

5. The Advisory Committee also raised questions with regard to other special adviser posts such as those associated with the organization and coordination of the fiftieth anniversary of the United Nations. In the opinion of the Committee, care should be taken not to continue those posts beyond their mandates. The Committee recommends that, when considering whether to appoint additional advisers at the assistant secretary-general or under-secretary-

general level, the Secretary-General should bear in mind the often-repeated need to reduce and keep to a minimum the number of high-level posts.

6. On the basis of its comments and observations in the paragraphs above, the Advisory Committee recommends approval of a temporary post at the under-secretary-general level, as requested by the Secretary-General, and that such additional appropriation as may be required be reflected in the performance report for the biennium 1996-1997.

Notes

[1] See Official Records of the General Assembly, Forty-eighth Session, Supplement No. 7 (A/48/7).

[2] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1).

DOCUMENT A/50/7/Add.11

Twelfth report

Conditions of service and compensation for officials other than Secretariat officials - Members of the International Court of Justice; Revised estimates under section 5 (International Court of Justice) - Extension of the premises of the International Court of Justice

[Original: English]

[12 December 1995]

I. INTRODUCTION

1. The Advisory Committee on Administrative and Budgetary Questions has considered two reports of the Secretary-General: one on the emoluments and other conditions of service for the members of the International Court of Justice (A/C.5/50/18); and the second on the extension of the premises of the Court (A/C.5/50/19). During its consideration of the reports, the Committee met with representatives of the Secretary-General and with the Registrar of the Court, who provided additional information.

II. CONDITIONS OF SERVICE AND COMPENSATION FOR MEMBERS OF THE INTERNATIONAL COURT OF JUSTICE

2. The report of the Secretary-General (A/C.5/50/18) on emoluments and conditions of service for the members of the International Court of Justice was submitted pursuant to General Assembly resolution 48/252 A of 26 May 1994. The report reviews the issues of periodic adjustments of the emoluments and other benefits of the members of the Court and includes a review of the current pension scheme and, as requested by the Advisory Committee, an analysis of the practice of the Court with respect to Article 16 of its Statute. The issue of periodicity of reviews is also addressed. In the report, the Secretary-General states his view that the three-year review cycle, established by the General Assembly in its resolution 45/250 A of 21 December 1990, is the most appropriate one under the circumstances. The Committee concurs with this view.

Remuneration

3. As indicated in the previous report of the Advisory Committee on the conditions of service of members of the Court,[1] the previous annual compensation of the members of the Court was $101,750, comprising a base salary of $82,000 and a cost-of-living supplement of $19,750. The revised annual salary that went into effect on 1 January 1991, that is, $145,000, incorporated the previously granted cost-of-living supplement for The Hague, that is, $19,750. Table 1 of the report of the Secretary-General shows changes in the net remuneration of members of the Court, and table 2 indicates movement in gross emoluments of officers of national judiciaries in selected countries. As indicated in paragraphs 4 and 5 of the report, the emoluments of the members of the Court are *sui generis*.

4. The Advisory Committee notes from paragraph 8 of the report that, in accordance with resolution 48/252 A, the system of floor/ceiling exchange rates continued to be applied to members of the Court in order to regulate their

emoluments against the weakening/strengthening of the United States dollar vis-à-vis the Netherlands guilder. For the year 1995, by applying the established formula of 4 per cent above and 4 per cent below the average exchange rate of the previous year, the floor/ceiling exchange rates used were 1.75 and 1.89 guilders per dollar, based on the average exchange rate for 1994 of 1.82. For 1996, the Committee was provided with updated floor/ceiling exchange rates of 1.55 and 1.67 guilders per dollar, based on the average exchange rate of 1.61 guilders per dollar in 1995.

5. With respect to the information provided in paragraph 11 of the report, the Advisory Committee is not convinced that, over the period from January 1991 to June 1995, the emoluments of the members of the Court have been eroded by some 20 per cent, as the effect of local currency appreciation and lower local inflation rates at The Hague appear not to have been fully taken into account in the analysis.

6. The Advisory Committee notes from paragraph 12 of the report that the Secretary-General is of the opinion that the annual emoluments of members of the Court should be maintained at the current level of $145,000. The Committee agrees with the view of the Secretary-General in this respect. However, the Committee recommends that, should the current mechanism used to regulate emoluments against the weakening/strengthening of the dollar be considered inadequate, the Secretary-General make proposals in this regard, bearing in mind the various studies on this issue that have been carried out in the recent past. The Committee also recommends that the Secretary-General address the issue of residence and non-residence status of the members of the Court as it has an impact on their salary and other conditions of service, as well as the need to provide rules and procedures that regulate the administration of the benefits of the members of the Court.

Other conditions of service

7. The Advisory Committee notes from paragraphs 15 and 16 of the report that the Secretary-General recommends no change in the current level of the special allowances of the President of the Court ($15,000 per year) and the Vice-President when acting as President ($94 per day, up to a maximum of $9,400 per year). The Committee concurs.

8. The Advisory Committee notes from paragraph 21 of the report that the Secretary-General proposes that the increase in the level of the education grant (including that for disabled children) applicable to staff in the Professional and higher categories, approved by the General Assembly in its resolution 49/223 of 23 December 1994, be extended, under the same conditions, to the members of the Court, as from the school year in progress on 1 January 1995. The Committee agrees with the proposal of the Secretary-General, on the understanding that this benefit would be extended only to the members of the Court who have taken up residence at The Hague.

9. The Advisory Committee notes from paragraphs 34 and 35 of the report that the financial implications of the education grant proposal of the Secretary-General would amount to $11,700; however, should the proposal be approved by the General Assembly, the Committee notes that the Secretary-General proposes "to absorb the requirements to the extent possible, within the resources proposed for such purpose, in paragraph 5.12 (b) of the 1996-1997 proposed programme budget, since revision to the level of resources might be warranted as the term of office of five Judges comes to an end during the biennium 1996-1997".

10. With regard to the participation of members of the Court in health insurance plans of the United Nations system, which are currently available to staff in the Professional and higher categories that may wish to participate, the Advisory Committee understands, from the information provided in paragraph 23 of the report and from representatives of the Secretary-General, that the members of the Court would cover the total cost of their participation and that the Organization would not have to contribute at all to the cost of their participation. In this regard, the Committee does not have any objection to their participation, provided that the members of the Court meet the same requirements for participation as those met by the full-time members of subsidiary bodies who are participants in the health insurance plans at their own expense.

Pensions

11. Pursuant to the request of the Advisory Committee, the Secretary-General has submitted, as an annex to his report, a review by a consulting actuary of the pension scheme of the members of the Court. The Committee notes from paragraph 27 of the report that, in the light of the conclusions of the actuarial review, the Secretary-General has concluded that "the consulting actuary corroborates in technical terms most of the recommendations he presented to the General Assembly at its forty-eighth session".[2] The Committee points out that it did not have the benefit of the consulting actuary's presence and that the Registrar was unable to answer all the questions pertaining to the consultant's report.

12. The Advisory Committee believes that the various recommendations and options discussed in the report of the consulting actuary should have been analysed in the main text of the report of the Secretary-General. In particular, the rationale for the recommendations of the Secretary-General, as mentioned in paragraphs 27 (a) to (f) of the report, should have been explained in the main body of the report and cross-referenced to the corresponding paragraphs in the report of the consulting actuary in the annex.

13. The Advisory Committee notes, for example, that the recommendation in paragraph 27 (a) has not been explained in relation to the key findings of the consulting actuary, as set out in paragraphs 1.7 and 3.1 of the annex. Upon enquiry, the Committee was informed that "the reference to 'pensionable remuneration of a Judge' refers to the 'pension benefit' or 'retirement benefit' of a Judge, which should be based on half the annual salary of the member of the Court".

14. The Advisory Committee recommends that the Secretary-General re-examine the pension scheme of the members of the Court in a report that takes full account of the request of the Committee, as indicated in paragraph 12 above.

15. As regards the analysis of the practice of the Court with respect to Article 16, paragraph 1, of the Statute of the Court, the Advisory Committee notes with appreciation the analysis presented in paragraphs 29 to 33 of the report. The Committee has considered this issue at some length. It raised a number of questions, several of which, to some degree, still remain unanswered, including the following: the extent of outside remunerated activities engaged in by the Judges; the time spent on those activities; the payment received for those activities; the extent of the use of the Court facilities, including staff for those activities; the issue of disclosure of remuneration received from those activities; and the need for guidelines on these issues. The Committee recalls Article 16 of the Statute of the Court, in particular paragraph 2 of

that Article. In this connection, the General Assembly may wish to consider inviting the Court to look again at this issue in the light of the observations and concerns of the Committee. The Assembly may also wish to invite the Court to communicate its reaction in such a manner as the Court may deem appropriate at the earliest possible opportunity.

III. EXTENSION OF THE PREMISES OF THE INTERNATIONAL COURT OF JUSTICE

16. In accordance with the request of the Advisory Committee in its first report on the proposed programme budget for the biennium 1996-1997,[3] the Secretary-General submits in his report (A/C.5/50/19) the budget estimates for the enlargement of the premises available to the Court. During its consideration of this item, the Committee was informed that the revised requirements for the biennium 1996-1997, for which an appropriation was sought, amounted to $331,400; furthermore, it is now estimated that the new premises would be available to the Court by 1 January 1997, instead of by mid-1996, as had been indicated in the proposed programme budget for the biennium 1996-1997.

17. With regard to the space utilization mentioned in paragraph 7 of the report, the Advisory Committee was informed that approximately 70 per cent of the total number of available rooms in the Peace Palace are allocated to the Court and that, of the total space of the Peace Palace (11,723 square metres), the space of 7,736 square metres, or approximately 66 per cent, is provided to the Court by the owner and administrator of the Peace Palace, the Carnegie Foundation of the Netherlands.

18. In terms of costs, the Advisory Committee was informed that the contribution requested by the Foundation for 1996-1997 to cover total estimated operational expenses of the Peace Palace was approximately 21.2 per cent for the biennium (1,263,582 guilders in 1997, or $722,047 at the rate of f. 1.75 per US$). The Committee was furnished with a statement of the total expenses of the Peace Palace for 1993 and budget estimates for 1995 to 1997 (see annex). It was also mentioned that the corresponding contribution for the new premises of 3,987 square metres, to be occupied in 1997, was 580,000 guilders (or $331,428 at the rate of f. 1.75 per US$). Thus, for 1997, the total annual contribution payable by the Court to the Carnegie Foundation is 1,843,582 guilders (or $1,053,475 at the rate of f. 1.75 per US$), under the terms of the supplementary agreement shown in the annex to the report of the Secretary-General.

19. The Advisory Committee notes from paragraphs 4 and 19 of the report of the Secretary-General that the proposed amount of 1,843,582 guilders is "subject to annual changes relating to inflation". The Committee requested information on the index of inflation to be used; however, the information was not made available. The Committee, therefore, understands that the provision for inflation will be subject to review by the Committee and approval by the General Assembly each time it is requested. The Committee further notes that, although this provision was not included in previous amendments to the agreement concluded between the United Nations and the Carnegie Foundation on 21 February 1946), subsequent increases over the years in the United Nations contributions were approved by the General Assembly on the basis of changes in the rate of inflation. The last supplementary agreement entered into by the United Nations and the Carnegie Foundation was approved by the General Assembly under the terms of resolution 1343 (XIII) of 13 December 1958, by which the annual contribution was increased to 100,000 guilders ($57,143 at the rate of

f. 1.75 per US$), with effect from 1 January 1959, as a consequence of increased costs of maintenance of the Peace Palace. Thereafter, the subsequent increases up to 1,843,582 guilders attributable to inflation were approved by the General Assembly without supplementary agreements.

20. Upon request, the Advisory Committee was provided with information on the distribution of the additional space of 3,987 square metres. This includes 2,050 square metres in the new wing (1,135 square metres for 39 additional offices in the attic of the Peace Palace and 802 square metres of additional storage space). For the reasons stated in paragraphs 9 to 15 of the report, the Committee believes that the additional space of 3,987 square metres is warranted for the operations of the Court, in particular from medium- and long-term perspectives. The Committee also believes that the conditions under which the Carnegie Foundation of the Netherlands proposes to continue to provide space to the Court under the supplementary agreement should be accepted by the General Assembly. The Committee points out, however, that the General Assembly was not informed in advance of the need to acquire additional space. The Committee trusts that in the future the proper procedure will be followed and that work on such projects will not commence until the necessary legislative approval is obtained.

21. The Advisory Committee recalls that in chapter II, paragraph III.11, of its first report on the proposed programme budget for the biennium 1996-1997,[3] it recommended that the provision of $457,400, related to the enlargement of premises available to the Court, be deleted, pending the report that is now being submitted by the Secretary General. The Committee notes that the appropriation sought, $331,400, would represent a partial reinstatement of the provisional estimate of $457,400 at 1994-1995 prices or $484,900 at 1996-1997 prices included under paragraph 5.22 of the proposed programme budget for the biennium 1996-1997.[4] The Committee therefore recommends that the General Assembly approve the appropriation of $331,400 to provide for additional accommodation for the Court by the Carnegie Foundation. The Committee understands that the appropriation sought is to cover operating expenses only (i.e., no funds are requested for capital expenditures) and that the issue of cost adjustment related to inflation remains to be clarified (see para. 19 above).

Notes

[1] Official Records of the General Assembly, Forty-ninth Session, Supplement No. 7 (A/49/7 and Add.1-14), document A/49/7/Add.11, para. 5.

[2] See A/C.5/48/66.

[3] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1).

[4] Ibid., Supplement No. 6 (A/50/6/Rev.1).

ANNEX

Carnegie Foundation

Statement of the expenses of the Peace Palace (including the additional operating costs for the building designed for the Judges of the International Court of Justice)

(Netherlands guilders)

	Actual expenditure in 1993	Estimated expenditure in 1994	Provisional budget for 1995	Preliminary budget for 1996	Preliminary budget for 1997
Salaries, social security contributions, pension charges and pension allowances	2 751 908	2 506 890	2 560 590	2 675 820	2 796 232
General and office expenses	91 854	185 000	185 000	193 325	202 025
Maintenance of the Peace Palace (buildings)	270 522	270 000	270 000	282 150	294 847
Large-scale repairs of the Peace Palace	355 262	434 000	524 000	547 580	572 221
Heating and lighting	283 379	350 000	350 000	365 750	382 209
Maintenance of the park	50 000	50 000	50 000	52 250	54 601
Library of the Peace Palace (books, subscriptions, bookbinding)	1 485 000	1 781 000	1 485 000	1 551 825	1 621 657
Fire insurance premiums	40 000	40 000	40 000	41 800	43 681
Miscellaneous - large-scale maintenance, new telephone system, major renovation of the facade of the Judges' building	-	878 750	-	-	-
Total	5 327 925	6 495 640	5 464 590	5 710 500	5 967 473

DOCUMENT A/50/7/Add.12

Thirteenth report

Funding of regional institutes from the regular budget of the United Nations

[Original: English]

[19 December 1995]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/50/33) on the funding of regional institutes from the regular budget of the United Nations. The report has been submitted pursuant to the Advisory Committee's request in its report[1] that the Secretary-General propose criteria to determine if regional institutes should be funded from the regular budget of the United Nations and to General Assembly decision 49/480 of 6 April 1995 that future requests for funding for regional institutes should be considered only on the basis of criteria proposed by the Secretary-General and approved by the Assembly to determine if such institutes should be funded from the regular budget of the United Nations.

2. As indicated in paragraph 2 of the report of the Secretary-General, there are currently eight regional institutes/centres that receive resources from the regular budget of the United Nations.

3. The functions of these institutes/centres and the circumstances that led to their receiving funds from the regular budget are outlined in paragraphs 4 to 24 of the report of the Secretary-General.

4. The Advisory Committee welcomes the comprehensive information provided in the report of the Secretary-General. Although the common theme appears to be a decline in voluntary funding for the institutes over the years, the Committee notes that the circumstances are different in each case and that the General Assembly's approach in granting approval for funding has been on a case-by-case basis. Paragraph 25 of the report of the Secretary-General summarizes this aspect.

5. The Advisory Committee points out that, whereas the first five institutes mentioned in the report of the Secretary-General were established by either regional legislative bodies or by the Economic and Social Council, the three institutes relating to disarmament were established by resolutions of the General Assembly itself.

6. The Advisory Committee takes note of the comments of the Secretary-General in paragraph 26 of his report that "a policy whereby regional institutes/centres should be funded from the regular budget has not been elaborated by the General Assembly" and that "the Secretary-General has not, on his own initiative, proposed the funding, either in whole or in part, of regional institutes/centres from the regular budget". The report then states that "as a rule, activities to be funded from the regular budget should be undertaken by the Secretariat and not be entrusted to institutes and/or centres outside the Secretariat". In this connection, the Committee recalls recommendation 62 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and Financial Functioning of the United Nations[2] concerning the practice of transferring extrabudgetary posts to the regular budget. The Committee points

out that the report of the Secretary-General does not define what exactly constitutes "outside" the Secretariat.

7. Moreover, the Advisory Committee is aware that some of these entities have de facto become part and parcel of the secretariats of the regional commissions and are responsible for carrying out substantive programmes outlined in the medium-term plan of the Organization. Further, the Committee understands that those staff members in the institutes/centres who are funded from the regular budget of the United Nations are United Nations staff, subject to the Staff Regulations and Rules of the United Nations, with the exception that their employment is generally restricted to the particular institute or centre.

8. While the Secretary-General, in paragraph 26 of his report, has stated that, for those institutes/centres that currently receive funds from the regular budget, such funding should continue in the biennium 1996-1997, no other option or proposals for alternative funding have been made by him. In the opinion of the Advisory Committee, the report of the Secretary-General, while presenting comprehensive background information, does not directly respond to the request for specific criteria to determine if regional institutes should be funded from the regular budget. Under the circumstances, it will be for the General Assembly to decide if the establishment of criteria for general application should be pursued or if the question of regular budget support for regional institutes/centres should continue to be decided on a case-by-case basis, taking into account such special circumstances and considerations as may exist in each case.

Notes

[1] Official Records of the General Assembly, Forty-ninth Session, Supplement No. 7 (A/49/7 and Add.1-14), document A/49/7/Add.10.

[2] Ibid., Forty-first Session, Supplement No. 49 (A/41/49).

DOCUMENT A/50/7/Add.13

Fourteenth report

The implementation of procurement reform in the United Nations Secretariat

[Original: English]

[8 March 1996]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/50/13/Rev.1) on the implementation of procurement reform in the United Nations Secretariat. The report, which was submitted to the General Assembly pursuant to its resolution 49/216 C of 23 December 1994, provides an update to the progress report submitted by the Secretary-General on 22 June 1995[1] on the issue. During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. As indicated in paragraph 9 of the report, the Secretary-General has accepted most of the recommendations made by a High-level Group of Experts on Procurement drawn from Member States. The review by the Group of Experts of the procurement process and related management issues at Headquarters, for field missions and in the field was completed at the end of December 1994. The Advisory Committee notes from annex II to the report that action has started in respect of some of the recommendations of the Group of Experts. As indicated in paragraph 5 of the report, the actions were divided by the Group of Experts into two stages. The first stage comprises the implementation of recommendations "in which either quick benefits could be gained or where the gestation period was relatively long"; and the second stage includes "actions needed to ensure that the United Nations Secretariat instituted a logistics organization that would provide efficient and cost-effective support for peacekeeping and other field operations".

3. The Advisory Committee believes that the implementation of procurement reform and related management issues at Headquarters, for field missions and in the field is of fundamental importance in re-establishing the confidence of Member States in the effectiveness, efficiency and responsiveness of the United Nations procurement operations. In the view of the Committee, the expeditious and conscientious implementation of the recommendations of the Group of Experts, as well as those already indicated by the Board of Auditors, is the basis that will provide for a truly competitive, fair and transparent procurement process, with clear lines of authority and accountability.

4. The Advisory Committee points out that the report of the Secretary-General provides information mainly on actions initiated by the Department of Administration and Management in the implementation of procurement reform. The Committee welcomes the progress made so far in the implementation of the reform measures; it regrets, however, that the report provides only a limited update on issues in the report of the Secretary-General of 22 June 1995[1] and does not report on procurement activities in other units under the authority of the Secretary-General. The Committee recalls, for instance, that, in its report on the proposed programme budget for the biennium 1996-1997, it noted that procurement activities were being undertaken also in the Department for Development Support and Management Services. The Committee recommended that the Secretary-General review the situation with a view to merging the procurement

services in the Department of Administration and Management and the Department for Development Support and Management Services and ensuring appropriate coordination with other United Nations procurement services.[2]

5. The Advisory Committee believes that the report of the Secretary-General should have been comprehensive and covered all the procurement activities of the Secretariat at Headquarters, away from Headquarters and for all field missions and operations. The Committee recommends that the Secretary-General submit to the General Assembly, at its fifty-first session, and no later than 1 October 1996, a full implementation report on procurement reform. The report should cover comprehensively all the procurement activities of the Secretariat, taking into account, as requested by the General Assembly in its resolution 49/216 C, the relevant comments and recommendations of the Board of Auditors, including those made most recently in its report for the biennium ended 31 December 1993,[3] as well as the Committee's observations indicated below. The report should include progress made on the measures now being proposed by the Secretary-General and approved by the General Assembly, as well as on the proposed consequential changes in the Financial Regulations and Rules and standard operating procedures. It should also include information on related procedural issues such as those discussed in paragraphs 10 and 11 below, as well as on coordination with other United Nations bodies (e.g., the United Nations Office for Project Services and the Inter-Agency Procurement Services Office).

6. As indicated in paragraph 11 of the report of the Secretary-General, as part of the procurement reform, the United Nations Purchase and Transportation Service has been restructured and established as the Procurement and Transportation Division, effective 1 January 1996. The Advisory Committee recalls that, in the proposed programme budget for the biennium 1996-1997,[4] the Secretary-General proposed the upgrading of the post of Division Chief from the D-1 level to the D-2 level. Upon review of the terms of reference of the post, in its first report on the proposed programme budget for the biennium 1996-1997, the Committee recommended to the General Assembly that the proposed reclassification of a D-1 level post to the D-2 level be deferred until the full report of the Secretary-General on procurement reform was taken up at the fiftieth session of the General Assembly.[5] In view of the limited nature of the report of the Secretary-General (see para. 4 above), the Committee does not recommend at this stage acceptance of the reclassification of the post of Division Chief, Procurement and Transportation Division, to the D-2 level. The Committee will revert to this matter in the context of its examination of the comprehensive report of the Secretary-General on the implementation of procurement reform.

7. The Advisory Committee notes from paragraphs 14 and 15 of the report of the Secretary-General that the Procurement and Transportation Division has been reorganized into two sections, namely, the Commodity Procurement Section and the Support Services Section. The Commodity Procurement Section has been organized along the lines of commodity clusters whereby the staff resources in each cluster manage each transaction from start to finish. This restructuring of the Commodity Procurement Section has allowed the removal of one level of supervision in the Procurement and Transportation Division, thus flattening the hierarchy and increasing operational flexibility and responsiveness to procurement demands. Upon enquiry, the Committee was furnished with the organizational chart of the Commodity Procurement Section (see annex to the present report). The Section's staff resources comprise 24 Professional and 37 General Service staff (11 Professional and 25 General Service posts funded from the regular budget and 13 Professional and 12 General Service posts funded from the support account), organized in 10 clusters.

8. The Advisory Committee welcomes this development and recognizes, as pointed out by the Group of Experts, the need to integrate the procurement process so that it is managed more coherently. However, given the large number of clusters and staff in each cluster who will be responsible for the total process, the Committee cautions that these changes should be effected in a manner that will maintain necessary internal control mechanisms. Adequate lines of authority, supervision and accountability must remain in place as well.

9. The Advisory Committee notes from paragraph 44 of the report of the Secretary-General that he intends to implement the reforms in 1996, utilizing the current level of resources. The Committee was informed that that would be accomplished without affecting the level of services. As indicated in annex VI to the report, the volume of procurement orders processed by the Procurement and Transportation Division was $396.4 million in 1995, with 24 Professional and 37 General Service staff in the Commodity Procurement Section. As indicated below, this compares to the value of equipment and goods purchased by the United Nations Office for Project Services of $139.2 million in 1995, with 8 Professional and 17 General Service staff and the value of purchases by the Contracts and Procurement Service of the Department of Development Support and Management Services of $24.4 million, with 5 Professional and 13 General Service staff.

Comparative value of goods and services purchased in 1995 and staff resources

	Department of Administration and Management/ Procurement and Transportation Division	Department of Development Support and Management Services/Contracts and Procurement Service	United Nations Office for Project Services
Value of purchase orders (in millions of United States dollars)	396.4	24.4	139.2
Professional staff	24	5	8
General Service staff	37	13	17

10. The Advisory Committee believes that the staffing levels of the Procurement and Transportation Division, in proportion to the volume of procurement orders, are within an acceptable range. The Committee, therefore, recommends maintaining the current staff strength in the Division. The Committee will revert to this matter during its examination of the report of the Secretary-General to the General Assembly at its fifty-first session on the status of procurement reform.

11. The Advisory Committee notes from paragraph 36 of the report of the Secretary-General that a Supplier Relations Officer is to be designated in early 1996 in line with the recommendations of the Group of Experts (see A/C.5/50/13/Rev.1, annex II, stage 1, item 27). The Committee understands that the terms of reference are still under review and that this position will be made available within existing resources. The Committee will revert to this

matter in the context of its review of the report of the Secretary-General to be submitted to the General Assembly at its fifty-first session (see para. 4 above).

12. As indicated in paragraph 46 of the report of the Secretary-General, the role of contract administrators is still under review, and it is foreseen that they will ensure the effective implementation of contractual obligations, in particular where major contracts are concerned. The Advisory Committee requests the Secretary-General to report fully on the role of contract administration within the procurement area of the Division of Administration and Management in his report on the implementation of procurement reform.

13. The Advisory Committee requests the Secretary-General to address, in his report to the General Assembly, the issue of responsibility for procurement operations in the Department of Peacekeeping Operations, as recommended by the Group of Experts (ibid., item 3b). Furthermore, the Committee reiterates its request, as indicated in paragraph 4 above, that the Secretary-General review the procurement activities of the Department for Development Support and Management Services with a view to integrating them into those of the Department of Administration and Management; moreover, as also indicated in paragraph 4 above, the Committee believes that the procurement activities of the United Nations Secretariat should be coordinated as much as possible with those of the United Nations Office for Project Services and other entities such as the Inter-Agency Procurement Services Office, with the purpose of bringing about a closer working relationship and economies of operation, particularly in the sharing of information on vendors and supplier rosters.

14. The Advisory Committee notes from paragraph 22 of the report of the Secretary-General that, as recommended by the Group of Experts (ibid., item 8), revised delegation of procurement authority for peacekeeping missions has been granted worldwide. Upon enquiry, the Committee was informed that, depending on the scope of the mission, delegated procurement authority would range from $70,000 to $300,000 for procurement orders. It was also indicated to the Committee that all restrictions requiring missions to procure only within a limited geographical area have been removed. The Committee also notes that, in accordance with the recommendations of the Group of Experts (ibid., item 7), delegation of authority is being granted to procurement officers on an individual basis, taking into account their experience, training and general expertise.

15. The Advisory Committee notes from paragraph 23 of the report of the Secretary-General that, to enable timely procurement of essential goods and services required for new missions and the maintenance of ongoing missions, new procedures were introduced under the authority granted to the Controller under financial rule 110.6, as had been recommended by the Group of Experts (ibid., item 10). The Committee was informed that, under the terms of a Memorandum of Understanding, agreement had been reached between the Department of Administration and Management and the Department of Peacekeeping Operations to commit up to 75 per cent of the estimated budget of certain mission-critical items, while awaiting budget approval. The Committee requested, but did not receive, a copy of the Memorandum of Understanding for these arrangements.

16. The Advisory Committee points out that under financial rule 110.21 "contracts shall be awarded to the lowest acceptable bidder". Therefore, as indicated by the Board of Auditors[6] the first consideration in the procurement process is to ensure that goods and services are acquired at the best price and in accordance with United Nations rules and procedures. The Committee

recommends that the Secretary-General report in detail on the delegation of procurement authority to peacekeeping missions and on the basis and cost-effectiveness of removing restrictions requiring missions to procure only within a limited geographical area (see para. 14 above).

17. The Advisory Committee notes from paragraph 24 of the report of the Secretary-General that progress in identifying and instituting system/requirement contracts has been modest. The Group of Experts identified this area of activity (ibid., item 11), that is, contracts for specific value of goods and services that do not specify the exact quantities but that remain valid for a fixed time period, as one that would relieve much of the pressure experienced by procurement officers in finding sources and competitive prices for a large variety of items. The Committee recommends that more vigorous efforts be made by the Procurement and Transportation Division, in full cooperation with the Department of Peacekeeping Operations, to identify the goods and services that may be appropriate for such contracts.

18. The Advisory Committee notes from paragraph 49 of the report of the Secretary-General that the current fragmentation of some functions between various departments and offices is to be addressed early in 1996. The Committee understands that weaknesses in procurement planning identified by the Board of Auditors[7] still persist in the Secretariat. The Committee was informed that the timely preparation of specifications by the user department both in the field and within Headquarters continued to be inadequate. The Committee points out the need for further training of the staff involved, particularly in the Department of Peacekeeping Operations. Furthermore, the Committee recommends that concerted efforts be made by the parties involved so that sufficient time is allowed to research the market properly and ensure that as many suppliers as possible are invited to bid. These efforts would generate genuine and tangible savings for the United Nations.

19. The Group of Experts determined that as a result of inadequate planning, it had become common practice to resort to the immediate operational requirement procedure in the Department of Peacekeeping Operations. The Board of Auditors had also pointed out that the abuse of the procedure had resulted in more expensive transactions, whereas savings could have been derived had careful requisitions been prepared in time. The Board had recommended that immediate operational requirement requests should be given only when absolutely necessary and should be supported with written justifications.[8] The Advisory Committee agreed with the observations of the Board.[9] The Committee trusts that appropriate measures will be taken to comply with recommendations of the Board. In this connection, the Committee recalls that the General Assembly, in paragraph 5 of its resolution 49/216 A of 23 December 1994, had requested the Board to report to the Assembly at its fifty-first session on the action taken on the recommendations of the Board.

20. The Advisory Committee points out that an efficient inventory system and effective property control are prerequisites to cost-effective procurement. In this connection, the Committee notes that the Group of Experts recommended (ibid., stage II, item 2) the establishment of full inventory systems of existing assets so as to identify the assets of the United Nations and establish their location and condition. The Committee recommends that high priority be accorded to this matter and that the Secretary-General report on the steps taken in this regard in his full report on the implementation of procurement reform.

21. The Advisory Committee regrets the slow progress achieved in the development of a supplier roster, a fundamental element of the implementation of

procurement reform. The Committee had requested, but did not receive, the draft paper on the policy on vendor database maintenance mentioned in paragraph 14 of the previous report[1] on the implementation of procurement reform. It appears that no further progress has been made in the elaboration of criteria for admission to the roster. The Committee notes from paragraph 29 of the report of the Secretary-General that the roster would be completed by May 1996. The Committee recommends that vigorous efforts be made to develop a roster that will have a broader geographical base. The Committee also recommends that, in his next comprehensive report on the subject, the Secretary-General report on the criteria for admission to the vendor roster, approval and removal procedures and methods to maintain an active vendor roster. Furthermore, the Committee is of the view that consistent procedures, including the use of a standard registration form, should be followed by all United Nations units in the registration of vendors.

22. The Advisory Committee recalls that the Board of Auditors has consistently found in the past an over-dependence on suppliers recommended by the requisitioning units.[10] The Committee shares with the Board the view that this practice undermines the principle of separation of responsibilities between requisitioning and procurement units. As indicated by the Board, the requisitioner should have as little influence as possible on the selection of suppliers and contractors. The Board had noted that the use of a relatively narrow range of suppliers and contractors, usually suggested by requisitioners, together with the limited extent of bidding, creates an environment where it is unlikely that the United Nations would achieve best value for money. No information was provided to the Committee that would assure it that these practices have been discontinued.

23. In the view of the Board of Auditors, the granting of exceptions under financial rule 110.19 for significant procurement (in amounts greater than $70,000) was disturbingly high.[11] The Board had recommended that the nature of the exigency should be documented to provide sufficient evidence to support the decision and to serve as a trail for verification and review.[12] The Advisory Committee notes from paragraph 31 of the report of the Secretary-General that there was a decline in the number of cases of exceptions, from 344 cases in 1994 to 268 in 1995, where exigency was cited as the reason for requesting such exceptions. However, the Committee understands that such exigency was not always adequately substantiated. The Committee was informed that the underlying problem was, in part, poor procurement planning in the requisitioning units, particularly in the Department of Peacekeeping Operations. The Committee recommends that, in all cases, the reasons for seeking exception from competitive bidding should be adequately documented in writing by the requisitioning unit at the time of requesting such exception. The Committee requests the Board to monitor this aspect of the procurement process in the context of its regular audits.

24. The Advisory Committee believes that there is an urgent need to improve procurement planning, particularly in peacekeeping operations, to avoid situations where, as indicated by the Board of Auditors,[13] requisitions are sent at very short intervals for the same item in small quantities. The Board had noted that such splitting up of requisitions and procurement should be avoided in the interest of a more cost-effective procurement operation. The Committee notes from paragraphs 20 and 21 of the report of the Secretary-General that the Secretariat has been implementing a training programme for procurement personnel since April 1995, which will be expanded in 1996 to include management training of procurement managers. The Committee welcomes these developments, as well as the on-the-job training programme at Headquarters for procurement personnel for

peacekeeping missions and the rotation of procurement officers between Headquarters and the field for short-term assignments.

25. The Advisory Committee endorses the recommendation of the Group of Experts (ibid., stage 1, item 13) that, in the absence of commercial generic specifications, the Department of Peacekeeping Operations should develop a complete list of United Nations particular specifications to be provided to field missions.

26. The Advisory Committee notes from paragraph 32 of the report of the Secretary-General that the position of a full-time Chairman of the Headquarters Committee on Contracts was established at the P-5 level, effective 1 June 1995. The Committee welcomes this development. The Committee understands that the terms of reference for this post have been prepared and that the Chairman of the Committee on Contracts will serve concurrently as Chairman of the Headquarters Property Survey Board. The Advisory Committee was informed that the Committee on Contracts would concentrate its efforts on the review of approximately the top 20 per cent of contracts by value, which might account for up to 80 per cent of the total value of contracts. The Advisory Committee recommends that the terms of reference of the Headquarters Committee on Contracts and its composition and procedures be issued at once.

27. In the view of the Advisory Committee, it is important to standardize the format of presentation of documentation to the Committee on Contracts as well as delivery schedules to avoid "walk-in" presentations.[14] The Board of Auditors had indicated that members of the Committee on Contracts, in many cases, received documentation for review at very short notice with extremely tight delivery schedules, often on a Friday afternoon for consideration at its meeting on Tuesday of the following week. The Advisory Committee was informed that this practice had continued. It believes that procedures should be issued with a view to standardizing the format of presentation and ensuring adherence to deadlines for the submission of documentation.

28. The Advisory Committee was informed that a staff member of the Office of Internal Oversight Services was participating in the meetings of the Committee on Contracts as an observer. The Advisory Committee recommends that this practice be discontinued immediately as it may compromise the role of the internal audit of procurement operations at Headquarters.

29. The Advisory Committee recalls that the Board of Auditors had indicated that, in the case of major procurement above a prescribed monetary threshold, contracting should be by open tender rather than by limited invitation.[15] The Board had noted that the United Nations rarely made use of open advertising and that, almost universally, bids/proposals were obtained through limited invitation from short-listed vendors.[16] The Committee inquired as to the ongoing practice and the reasons for it. It was informed that, owing to budgetary constraints, the Procurement and Transportation Division rarely used open advertising but that it relied more and more on the use of electronic bulletin boards and on computer information networks (Internet). The Committee recommends that the Division make efforts to ensure that bidding is as open as possible and is accessible to potential new vendors. The Committee understands that currently the Division is not using actively all United Nations facilities that may be available to advertise in a wider geographical area. For example, the Division could use the United Nations bimonthly procurement publication of the Department of Public Information, entitled Development Business, as well as the United Nations information centres. This approach could also contribute to the achievement of the United Nations procurement policy goals of placing more

of its procurement orders in a wider geographical area, including the developing countries.

30. The Advisory Committee notes that the Group of Experts recommended (ibid., item 16) that public bid openings be discontinued. The Committee does not share this view but believes that public openings of bids enhance transparency and fairness in the procurement process and therefore should continue. The Committee notes from paragraph 40 of the report of the Secretary-General that the Secretary-General intends to prepare an annual report detailing the activities of the Procurement and Transportation Division. In this connection, the Committee recommends that the Secretary-General include in that report comprehensive statistics on procurement by the Secretariat, including country of origin of goods and services purchased and related value.

31. The Advisory Committee also notes from annex IV to the report of the Secretary-General that the value of cases recommended for approval in 1995 included letters of assist in 1995 amounting to $297.7 million. The Committee was informed that these instruments were issued directly by the Department of Peacekeeping Operations to acquire goods and services not normally available commercially. The Committee notes from paragraph 51 of document A/50/807 that the Working Groups on Reimbursement of Contingent-owned Equipment had recommended an increase in the level of authority for letters of assist from $70,000 to $100,000. The Committee further notes that the Secretary-General is reviewing the request. The Committee points out that this issue is within the prerogative of the Secretary-General and that letters of assist are issued as an exception to the normal procurement process for such items as equipment and spare parts, including transport and medical services. The Committee recommends that the Secretary-General include in his report mentioned in paragraph 5 above the result of his review.

32. With regard to information technology in support of procurement activities, the Advisory Committee notes from paragraph 37 of the report of the Secretary-General that a stand-alone procurement software package already in use in the Secretariat was being integrated with the Integrated Management Information System (IMIS). Implementation of Release 3 of IMIS, of which procurement functionalities were a part, was now scheduled for the first quarter of 1996. The Committee recalls, however, that, when preparing its first report on the proposed programme budget for the biennium 1996-1997, it had been informed that a new version of the procurement package REALITY had been integrated into IMIS with a view to using the software worldwide and to establishing a common catalogue system for procuring goods and services.[17] The Committee requests that information on the status of technological development in procurement services be provided in the report requested in paragraph 5 above.

33. The Advisory Committee notes from paragraph 43 of the report of the Secretary-General that four officers on secondment from Member States had been assisting the Procurement and Transportation Division in meeting the requirements of peacekeeping and other field missions. Upon enquiry, the Committee was informed that it was expected that only three officers on secondment would remain in the Division in 1996. In addition, the Committee notes from paragraph 47 of the same report that three experts loaned by Member States continue to work directly on procurement matters of the Secretariat. The Committee intends to give its views on this matter in the context of its report on the support account for peacekeeping operations.

34. The Advisory Committee trusts that, as indicated in paragraphs 51 and 52 of his report, the Secretary-General will provide his full support and be fully

committed to establishing, in an expeditious and cost-effective manner, an efficient and responsive procurement system in the United Nations Secretariat. The Committee further trusts that its observations will be taken into account in the formulation of the new procurement policy and in the establishment of revised procedures to provide for a truly competitive, fair and responsive process in the interest of all Member States.

Notes

[1] A/C.5/49/67.

[2] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), chap. II, para. IV.27.

[3] Ibid., Forty-ninth Session, Supplement No. 5, (A/49/5), vol. I, sect. II.

[4] Ibid., Fiftieth Session, Supplement No. 6 (A/50/6/Rev.1), vol. II, para. 26D.41.

[5] Ibid., Supplement No. 7 (A/50/7 and Corr.1), chap. II, para. VIII.42.

[6] Ibid., Forty-ninth Session, Supplement No. 5 (A/49/5), vol. II and Corr.1, sect. II, para. 114.

[7] Ibid., vol. I, sect. II, paras. 149-155.

[8] Ibid., vol. II and Corr.1, sect. II, paras. 73-81.

[9] A/49/547, paras. 25-33.

[10] Official Records of the General Assembly, Forty-ninth Session, Supplement No. 5 (A/49/5), vol. I, sect. II, para. 146.

[11] Ibid., para. 139.

[12] Ibid., vol. II and Corr.1, sect. II, para. 9 (a) (ii).

[13] Ibid., vol. I, sect. II, para. 153.

[14] Ibid., vol. II and Corr.1, sect. II, para. 78; and A/49/547, para. 31.

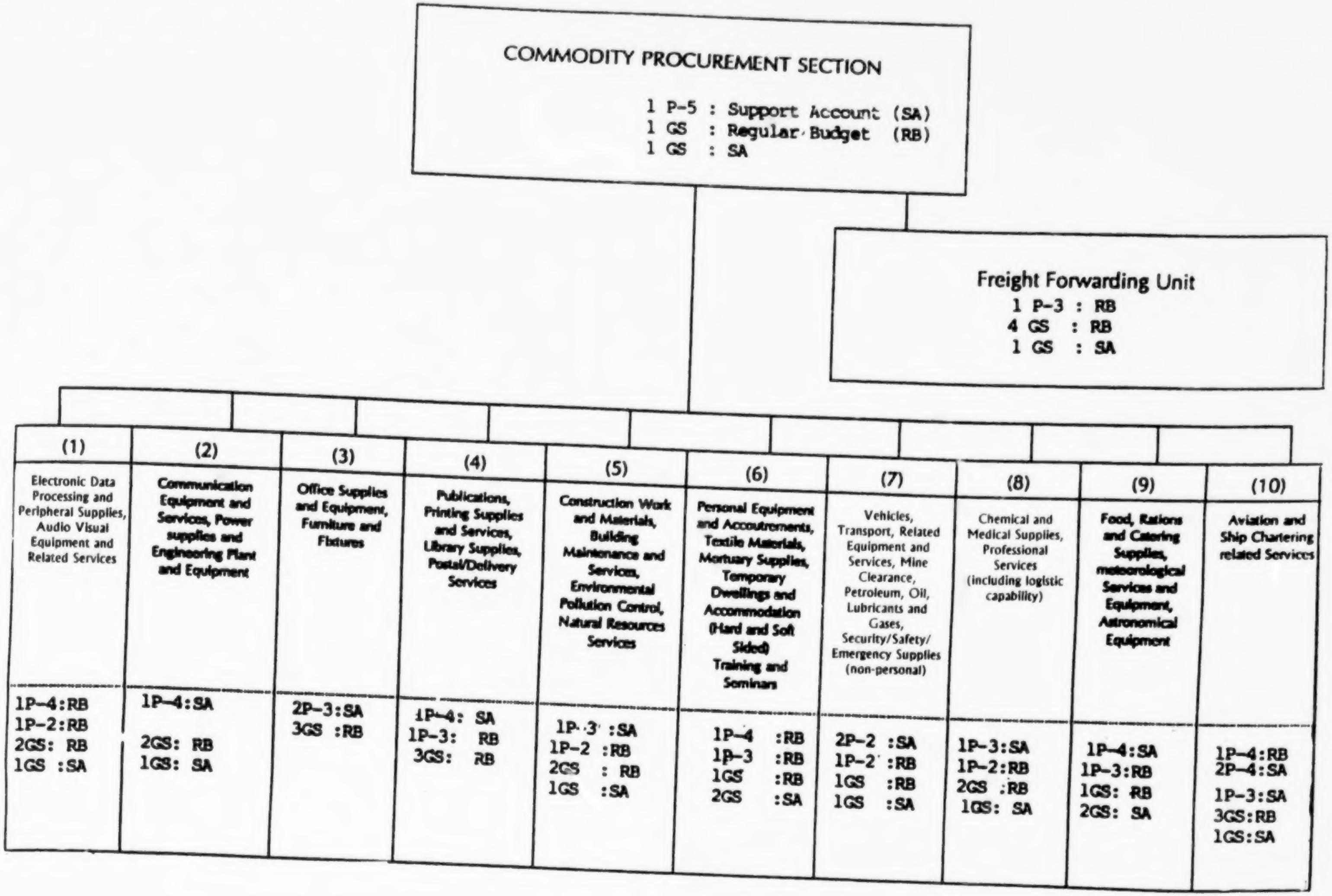
[15] Official Records of the General Assembly, Forty-ninth Session, Supplement No. 5 (A/49/5), vol. I, sect. II, para. 148 (b).

[16] Ibid., paras. 141 and 145.

[17] Ibid., Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1), sect. II, para. XI.10.

ANNEX

Organizational chart



COMMODITY PROCUREMENT SECTION

1 P-5 : Support Account (SA)
1 GS : Regular Budget (RB)
1 GS : SA

Freight Forwarding Unit

1 P-3 : RB
4 GS : RB
1 GS : SA

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Electronic Data Processing and Peripheral Supplies, Audio Visual Equipment and Related Services	Communication Equipment and Services, Power supplies and Engineering Plant and Equipment	Office Supplies and Equipment, Furniture and Fixtures	Publications, Printing Supplies and Services, Library Supplies, Postal/Delivery Services	Construction Work and Materials, Building Maintenance and Services, Environmental Pollution Control, Natural Resources Services	Personal Equipment and Accoutrements, Textile Materials, Mortuary Supplies, Temporary Dwellings and Accommodation (Hard and Soft Sided) Training and Seminars	Vehicles, Transport, Related Equipment and Services, Mine Clearance, Petroleum, Oil, Lubricants and Gases, Security/Safety/ Emergency Supplies (non-personal)	Chemical and Medical Supplies, Professional Services (including logistic capability)	Food, Rations and Catering Supplies, meteorological Services and Equipment, Astronomical Equipment	Aviation and Ship Chartering related Services
1P-4:RB 1P-2:RB 2GS: RB 1GS :SA	1P-4:SA 2GS: RB 1GS: SA	2P-3:SA 3GS :RB	1P-4: SA 1P-3: RB 3GS: RB	1P-3 :SA 1P-2 :RB 2GS : RB 1GS :SA	1P-4 :RB 1P-3 :RB 1GS :RB 2GS :SA	2P-2 :SA 1P-2 :RB 1GS :RB 1GS :SA	1P-3:SA 1P-2:RB 2GS :RB 1GS: SA	1P-4:SA 1P-3:RB 1GS: RB 2GS: SA	1P-4:RB 2P-4:SA 1P-3:SA 3GS:RB 1GS:SA

DOCUMENT A/50/7/Add.14

Fifteenth report

Unforeseen and extraordinary expenses

[Original: English]

[12 March 1996]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on unforeseen and extraordinary expenses (A/C.5/50/30). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. As indicated in the report of the Secretary-General, General Assembly resolutions on unforeseen and extraordinary expenses, the most recent of which is resolution 48/229 of 23 December 1993, are intended to enable the Secretary-General to incur expenditures of an urgent nature, under certain conditions, without reverting to the Assembly on the matter. The historical background for this procedure has been detailed in annex I to the report.

3. The current procedures for meeting expenses to implement unforeseen activities are summarized in paragraphs 3 to 10 of the report of the Secretary-General. Activities for which the Secretary-General has been authorized to enter into commitments are as follows:

(a) Activities to be undertaken at his own initiative, upon his certification that they relate to peace and security;

(b) Activities related to peace and security, other than peacekeeping, to implement decisions of the Security Council;

(c) Activities to implement the immediate requirements of the start-up phase of a peacekeeping operation established by the Security Council;

(d) Unforeseen activities not related to peace and security;

(e) Unforeseen activities approved by the General Assembly.

4. The Secretary-General's own authority, up to a total of $5 million per year, can currently be utilized for items (a), (b) and (c) above.

5. For reasons outlined in paragraphs 11 to 20 of the report, the Secretary-General recommends that the General Assembly decide that the resolution on unforeseen and extraordinary expenses should in future reflect the following:

(a) The commitments in any one year of the biennium that the Secretary-General certifies relate to the maintenance of peace and security, under paragraph 1 (a) of the resolution, will be increased to $7 million;

(b) The Secretary-General will be authorized, without the prior concurrence of the Advisory Committee, to enter into commitments not exceeding $3 million in any one year for the immediate requirements of the start-up phase of peacekeeping operations in order to implement decisions of the Security Council.

6. Notwithstanding the reasons put forward by the Secretary-General in paragraphs 11 to 20 of his report, the Advisory Committee believes that there is not sufficient justification for changing the current procedures. For one thing, total expenditures for peacekeeping operations, which have been rising in recent years, appear to have peaked in the biennium 1994-1995 at a level of $3.2 billion in 1994 and $2.9 billion in 1995; for 1996, the level is forecast at $1.5 billion. The Committee also points out that the resolution on unforeseen and extraordinary expenses has been applied in the past to a number of activities that were not unforeseen and that indeed were of an ongoing nature. For example, in its report on special representatives, envoys and related positions (see document A/50/7/Add.2 above), the Committee had pointed out that the resolution was not intended to cover the establishment of positions on a continuing basis.

7. The Advisory Committee believes that proper planning is also essential with regard to the management of authority granted to the Secretary-General. In this connection, the Committee points out that it is in session for most of the year and available throughout the year. For this reason, as well as for those given in paragraph 6 above, the Committee believes that the level of commitment authority of the Secretary-General should remain at $5 million. However, the Committee recommends that, with regard to the amounts to be authorized under paragraph 1 (a) of the resolution on unforeseen and extraordinary expenses, for the immediate requirements of the start-up phase of peacekeeping operations, these amounts "would revert to the relevant peacekeeping budgets when the commitment authority is granted by the Advisory Committee or when approval is given by the General Assembly" (A/C.5/50/30, para. 22), thus replenishing the level of the commitment authority available to the Secretary-General. On a related matter, the Secretary-General, in consultation with the International Court of Justice, may wish to review the terms of paragraph 1 (b) of the resolution, in the light of current budgetary practice with regard to the Court.

DOCUMENT A/50/7/Add.15

Sixteenth report

Conference servicing of the Conference of States Parties to the United Nations Framework Convention on Climate Change - Revised estimates under section 26E (Conference services) and section 26F (Administration, Geneva)

[Original: English]

[12 April 1996]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on revised estimates under section 26E (Conference services) and section 26F (Administration, Geneva) relating to conference servicing of the Conference of States Parties to the United Nations Framework Convention on Climate Change (A/C.5/50/58). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information.

2. In its resolution 50/115 of 20 December 1995, the General Assembly decided to include in the calendar of conferences and meetings for the biennium 1996-1997 the sessions of the Conference of the Parties and its subsidiary bodies envisaged for that biennium entailing 12 weeks of conference servicing. The Assembly further requested the Secretary-General to make the necessary arrangements to include in the calendar of conferences and meetings for the biennium 1998-1999 those sessions of the Conference of the Parties and its subsidiary bodies that the Conference might need to convene during that period.

3. As indicated in the report of the Secretary-General of 22 November 1995 (A/50/716/Add.1) and the statement of programme budget implications (A/C.5/50/39), the full cost of the 1996 programme of meetings was estimated at $3,522,200. The General Assembly, on the recommendation of the Fifth Committee in paragraph 3 of its report (A/50/823), decided to consider the actual amount required under section 26E (Conference services) of the proposed programme budget for the biennium 1996-1997,[1] including the need for an additional appropriation, at its resumed fiftieth session, in 1996, on the basis of revised estimates submitted by the Secretary-General.

4. The Advisory Committee notes that the annual programme of meetings of the Conference of States Parties and its subsidiary bodies would amount to 120 meetings over three 2-week periods, for a total of 6 calendar weeks a year, equivalent to 12 weeks of meetings a year. The Committee further notes that document requirements would amount to 2,004 pages a year in the original language, comprising 147 documents. The Committee also notes that, while the 1996 meetings of the Conference of the Parties and its subsidiary bodies will be held at Geneva, those for 1997 will be held at Bonn.

5. Upon enquiry, the Advisory Committee was informed that the meeting requirement of six weeks a year results from decisions of the Conference of the Parties and its subsidiary bodies.

6. With respect to the extent to which scheduled meetings were held in the past, the Advisory Committee was informed that, while in 1995, out of 66 meetings, 57 were held and 9 were cancelled, for the session held from 26 February to 8 March 1996, 27 meetings were held and 13 were cancelled.

7. In connection with documents, it is the view of the Advisory Committee that, in the light of the number of meetings, the estimate of documentation appears excessive. In this connection, the Committee recommends that, in line with the economy measures being undertaken in the Secretariat of the United Nations, the Conference of States Parties should be requested to review the number of documents envisaged and the manner in which they are to be produced.

8. The Secretary-General estimated that, while 20 per cent of the cost of interpretation and of reproduction for meetings at Geneva might be absorbed from within permanent capacity, all requirements for translation and text processing would require an additional appropriation.

9. With respect to the cost of interpretation, the Advisory Committee was informed that this was based on eight assignments per week per interpreter instead of the previous standard of seven assignments per week per interpreter.

10. The Advisory Committee notes from paragraph 11 of the report of the Secretary-General that the 1997 meetings at Bonn will also involve additional requirements, including the cost of travel and subsistence of interpreters, of sending supervisory staff from Geneva and of reproduction for in-session documents.

11. In response to an enquiry as to why some staff were not recruited at Bonn, the Advisory Committee was informed that, in order to guarantee service by a full complement of staff, it would be necessary to send staff from Geneva to Bonn, at least for the 1997 meetings; however, for meetings held after 1997, it would be possible to recruit some staff at Bonn. The Committee trusts that the possibility of hiring some staff at Bonn for the 1997 meetings will still be explored and therefore requests the Secretary-General to review the resource requirements for 1997 with a view to reducing costs.

12. The Advisory Committee welcomes the use of remote translation and text processing for in-session documentation for meetings at Bonn, as indicated in paragraph 12 of the report.

13. Upon enquiry, the Advisory Committee was informed that the staffing table for the core administrative budget of the Conference of States Parties and its subsidiary bodies in 1996 consisted of 43.5 posts (1 head of secretariat, 2 D-2, 4 D-1, 6.5 P-5, 5 P-4, 3 P-3, 4 P-2 and 18 General Service) which, in 1997, would increase by 6 posts (0.5 P-5 and 5.5 P-3) to comprise 49.5 posts.

14. With regard to the enquiry as to when the Convention secretariat would move to Bonn, the Advisory Committee was informed that some staff were already at Bonn and that it was expected that the secretariat would be fully installed by the end of the year.

15. In paragraph 14 of his report, the Secretary-General estimated the full cost at current rates to be $7,751,300 for the biennium ($3,580,600 for 1996 and $4,170,700 for 1997). The Advisory Committee notes that the additional requirements for the biennium, for which an additional appropriation would be considered in the context of the revised appropriation to be approved by the General Assembly at its fifty-first session, in December 1996, amount to $5,517,000 ($2,446,200 for 1996 and $3,070,800 for 1997).

16. The Advisory Committee observes that such additional appropriation as may eventually be approved by the General Assembly would be subject to the provisions of the contingency fund. As recalled by the Secretary-General in

paragraph 30 of his report, under the procedure established by the General Assembly in its resolution 41/213 of 19 December 1986, a contingency fund is established for each biennium to accommodate additional expenditures derived from legislative mandates not provided for in the programme budget. In its resolution 50/216 of 23 December 1995, the Assembly noted that a balance of $19,427,000 remained in the contingency fund for the biennium 1996-1997. The net amount available in the contingency fund after making provision of $5,517,000 for servicing the Conference of States Parties and its subsidiary bodies would therefore be $13,910,000.

Notes

[1] Official Records of the General Assembly, Fiftieth Session, Supplement No. 6 (A/50/6/Rev.1), vol. II.

DOCUMENT A/50/7/Add.16

Seventeenth report

Programme budget for the biennium 1996-1997

[Original: English]

[3 May 1996]

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General (A/C.5/50/57), submitted pursuant to General Assembly resolution 50/214 of 23 December 1995 on questions relating to the proposed programme budget for the biennium 1996-1997.

2. In its resolution 50/214, the General Assembly, while approving the programme budget for the biennium 1996-1997, decided that the amounts under expenditure sections 1 to 33, as provided for under section III of the resolution, represented a provisional total of $2,712,265,200. In section IV, paragraph 2, of the resolution, the Assembly also decided that the projected level of savings to be achieved during the biennium would be $103,991,200, while in paragraph 3, it further decided that the total level of expenditure provided for in the biennium 1996-1997 would be $2,608,274,000. The evolution of that figure from the amount contained in the proposed programme budget for the biennium 1996-1997 is shown in the table in annex I to the present document. Of this amount, some $154 million are across-the-board reductions, comprising a $50 million reduction as a result of the adjustment in the General Service vacancy rate from 0.8 per cent to 6.4 per cent and a non-specific projected level of additional savings of $104 million.

3. According to the Secretary-General, the reductions mandated by the General Assembly are in addition to the some $98 million he had offered in his initial proposals. In this connection, the Advisory Committee recalls the extensive comments it made on this subject in paragraphs 24 to 27 of its first report on the proposed programme budget for the biennium 1996-1997.[1] Similarly, the Secretary-General had sought, in the proposed programme budget, the abolition of 201 posts and the creation of 66 new ones. Following consideration of the proposed programme budget, the General Assembly approved a net reduction of 100 posts.

4. In section II of its resolution 50/214 the General Assembly reaffirmed, in paragraph 2, the budgetary process as approved in its resolution 41/213 of 19 December 1986; reaffirmed, in paragraph 4, that changes in the mandated programmes and activities were its prerogative; and decided, in paragraph 6, that savings in the proposed programme budget for the biennium 1996-1997 would not affect the full implementation of mandated programmes and activities.

5. In section II, paragraph 7, of resolution 50/214, the General Assembly requested the Secretary-General to present, as soon as possible, and no later than 31 March 1996, to the Assembly, through the Advisory Committee, a report containing proposals of possible savings for its consideration and approval.

6. In section II, paragraph 8, of its resolution 50/214, the General Assembly also requested the Secretary-General to make proposals to the Assembly as soon as possible, and no later than its fifty-first session, on further measures to improve efficiency, contain administrative costs and achieve savings in the

Organization with a view to enhancing programme delivery and the implementation of all programmes and activities mandated by the Assembly.

7. In section II, paragraph 11, of its resolution 50/214, the General Assembly further requested the Secretary-General to present, in addition to the biennial budget performance report, no later than the end of the fiftieth session and in June 1997, a programme performance report on the impact of approved savings measures on the implementation of mandated programmes and activities.

8. As can be seen from paragraphs 4 and 5 above, the Secretary-General was entrusted with the task of making proposals for possible savings in the proposed programme budget for the biennium 1996-1997 for the consideration of the General Assembly, while at the same time ensuring that the savings would not affect the full implementation of mandated programmes and activities. The report of the Secretary-General is general in nature and attempts, in the short span of time available, to make a first response to the Assembly's request in paragraph 7 of its resolution 50/214. The Secretary-General informed the Advisory Committee that a more detailed report would be submitted to the Assembly at its fifty-first session. The Committee trusts that, in his further reporting, the Secretary-General will pursue an integrated approach, bearing in mind the other reports requested of him by the Assembly in its resolution 50/214, which are referred to in paragraphs 6 and 7 above. In this regard, the Committee trusts that efficiency measures, where feasible, will be applied uniformly throughout the Secretariat.

9. The Secretary-General has indicated to the Advisory Committee that he has had to evaluate a number of factors and variables that had not been previously envisaged or stated in resolution 50/214.

10. During its consideration of the report of the Secretary-General, the Advisory Committee sought information from, and exchanged views with, the Under-Secretary-General for Administration and Management and other representatives of the Secretary-General, who provided additional information.

11. The Advisory Committee notes that a great deal of effort on the part of the Secretariat has gone into the preparation of the report of the Secretary-General under consideration. From the information provided to the Committee, it appears that the scope and depth of the review undertaken within the Secretariat have been quite extensive. The Committee was informed that the active participation and cooperation of programme managers were sought in conducting this exercise and, given the short time-frame, the Committee commends the Secretariat for this effort.

12. The Advisory Committee believes that, given the fact that a significant amount of work was undertaken, resulting in an extraordinary amount of background material being produced and readily available, the report should have incorporated more of that information, in particular with regard to the programmatic and budgetary aspects. The report contains a broad section-by-section tally of estimated resources proposed for reduction and a general outline of activities that would be affected by such resource reductions. The Committee requested, and was provided with, tables showing the proposed reductions on a section-by-section basis, as well as the percentages of the reduction in each section (see annexes II and III to the present report).

13. The Advisory Committee requested information on economy measures that had been applied before the submission of the report of the Secretary-General and the amounts involved. However, that information was not provided. Moreover,

the Committee was informed that a number of the measures referred to in the report were already being implemented prior to action by the General Assembly. The Committee was further informed that the measures taken were within the authority of the Secretary-General under existing financial and personnel regulations. In the opinion of the Committee, that approach is not consistent with the request of the Assembly for proposals of possible savings for its consideration and approval, as contained in section II, paragraph 7, of its resolution 50/214.

14. The Advisory Committee recalls its comment in paragraph 19 of its first report[1] on the proposed programme budget for the biennium 1996-1997 that, should the Secretary-General be of the view that certain activities should no longer be carried out, or should be modified, or that priorities should be reordered so as to achieve the desired level of savings, it is incumbent upon him to make the necessary programmatic proposals to the General Assembly.

15. Owing to the general nature of the present submission, it is not possible to determine precisely which of the mandated activities would be affected, as the report does not identify fully and clearly the projects, programmes, reports and so on that have been proposed for streamlining, postponement or cancellation. In order to allow for an evaluation of the proposals of the Secretary-General, quantified information should have been supplied that could have been correlated to the narrative portions of the report. This lack of correlation does not allow the General Assembly to determine whether delays and postponements in delivery of programmes and reduction in quality/timeliness of support to intergovernmental organs are compatible with the terms of section II, paragraphs 4 and 6, of its resolution 50/214, which state that changes in mandated programmes and activities are the prerogative of the Assembly and that savings in the proposed programme budget for the biennium 1996-1997 will not affect the full implementation of mandated programmes and activities. This situation is not entirely the fault of the Secretary-General, since, with the exception of a limited number of intergovernmental bodies (for example, the regional commissions), the Advisory Committee understands that, because of time constraints, other legislative bodies entrusted with establishing the programme of work of the Organization could not conclude the programmatic reviews that need to precede any specific proposals made by the Secretary-General.

16. The Advisory Committee expects that the next report on this matter will be presented in the normal budgetary format and will contain sufficient detail to enable the General Assembly to take action in accordance with its resolution 50/214.

17. The Advisory Committee has noted several areas indicated in the report of the Secretary-General where introduction or upgrading of technological and automation projects has been earmarked for postponement and/or curtailment with a view to achieving savings in the budget; in certain areas, delays in implementation and upgrading of telecommunications and information systems have also been envisaged. The Committee believes that such measures, while they would produce monetary results in the short run, may ultimately prove to be less cost-effective and perhaps regressive. In the opinion of the Committee, to achieve true and long-term efficiency gains, it is sometimes necessary to make timely investments (see para. 37 below).

18. Similarly, in section III, paragraph 69, of its resolution 50/214, the General Assembly, while reducing an amount of $12 million from the estimates for construction, alteration, improvement and major maintenance for the biennium

1996-1997, decided, inter alia, that those projects whose deferral would not be cost-effective in the longer term should be carried out.

19. In considering possible further reductions under section 31 (Construction, alteration, improvement and major maintenance), it should also be borne in mind that in section III, paragraph 72, of resolution 50/214, the General Assembly decided that expenditures beyond an amount of $776,000 for the International Seabed Authority would, on an exceptional basis, be absorbed under section 31 of the proposed programme budget.

20. The Advisory Committee requested and received information regarding deferral of a number of projects relating to section 31, of the budget, against which the Secretary-General had proposed an additional preliminary reduction of $2 million. From the information provided to it, the Committee believes that a deferral of such magnitude at this time may result in unusually high resource requirements in the following bienniums, not only in terms of additional costs for repairs and maintenance due to normal wear and tear and deterioration of existing facilities, but also in terms of higher expenditure due to inflation.

21. The Advisory Committee notes that under section 26 (Administration and management), the possibility of transfer of administrative costs for the reimbursement of income tax from the regular budget to the Tax Equalization Fund has been proposed, although no corresponding dollar amounts have been indicated in the report; the Committee received this information upon request and was informed that the total regular budget costs related to the Income Tax Unit amounted to $780,300 for the biennium 1996-1997.

22. The proposals under section 26 also include numerous measures with regard to the provision of conference services, including expansion of a local base of temporary staff to reduce dependency on higher-cost non-local temporary assistance and expanded use of monitored self-revision in translation services to increase productivity. The Advisory Committee cautions that these changes may have an impact on the recourse of the Organization to the greatest variety of technical skills available from Member States and on the quality of the work produced. Moreover, the restriction of non-local temporary assistance will affect the possibility of nationals from different Member States working with the Organization on a temporary basis.

23. The Advisory Committee notes the views of the representatives of the Secretary-General that postponement and delays in certain programme activities do not imply their cancellation but only their deferral to subsequent bienniums. It is the understanding of the Committee that, unless decided otherwise by the General Assembly or any other competent intergovernmental body, the postponement of an activity would indicate a carry-over of that particular activity into the following biennium.

24. With regard to reductions in posts, as indicated in the summary of his report:

> "The Secretary-General had proposed a vacancy rate of 6 per cent for Professional posts and 0.8 per cent for General Service posts. The General Assembly decided upon a vacancy rate of 6.4 per cent for both Professional and General Service posts. This is well above the actual rate of vacancies for General Service staff, and will require a significant number of such posts, occupied at the beginning of 1996, to be vacated, in order to avoid unbudgeted expenditures of up to $50 million. Given the incidence of personnel versus non-personnel costs in the Organization's cost structure,

reductions of the magnitude set by the Assembly cannot be achieved without reductions in staff costs also for Professional posts."

25. As can be seen from annex III to the present document, of the proposed $140 million reduction in the report of the Secretary-General, a reduction of $71.5 million is estimated for staff costs, $19.3 million for staff assessment and $49.2 million for non-staff costs.

26. The Advisory Committee recommends that the Secretary-General bear in mind the balance as to grades and levels of posts when proposing vacancies. In this connection, the Committee also notes from the report of the Secretary-General that, under section 29 (Office of Internal Oversight Services) of the proposed programme budget for the biennium 1996-1997, the proposed vacancy rate is approximately 18 per cent, higher than any proposed for other sections of the budget. The Committee was informed that this was due to the fact that the highest number of new posts had been approved by the General Assembly during its consideration of the proposed programme budget for the biennium 1996-1997 and that many of those posts had yet to be filled (see para. 29 below).

27. As indicated in paragraph 18 of the report of the Secretary-General, the increase in vacancies is expected to be realized through:

(a) Full use of attrition in 1996-1997;

(b) Strict enforcement of the retirement age;

(c) Freeze in recruitment, subject to limited exceptions;

(d) Implementation of an early separation programme, subject to availability of funds;

(e) Introduction of a programme for lateral redeployment of staff;

(f) Involuntary separation of staff.

28. The Advisory Committee was also informed that staff regulation 9.1 was being used as the legal basis for separation of staff. The Committee was further informed that the measures described in paragraph 27 above would not entail changes in the Staff Regulations and Rules, except for a minor change for pension purposes in the Staff Rules to accommodate those staff members eligible for termination indemnity under the early separation programme.

29. Attached as annex IV to the present document is a table provided to the Advisory Committee. Vacancies in both the Professional and General Service categories as at 31 March 1996 and those anticipated as at 31 December 1997 are shown. As can also be seen from the annex, of the total of 10,021 posts authorized by the General Assembly (3,961 Professional and 6,060 General Service), 834 posts (331 Professional and 503 General Service) are expected to be vacant by the end of the biennium. In this connection, the Committee notes that occupied posts are filled by staff on short-term, fixed-term and permanent appointments. The Committee points out that, in contrast to the General Service vacancy rate, Professional vacancies are a response by the Secretariat to the requirement to achieve $104 million in additional savings and were not specifically required by the Assembly. In the opinion of the Committee, the Secretary-General should have explained better the need to increase the Professional vacancy rate in relation to other possible non-staff economies, since the vacancy rate for Professionals has a potential impact on mandated

programmes. Moreover, the question of recruitment to the new posts established by the Assembly during its consideration of the proposed programme budget remains to be clarified (see para. 3 above).

30. As indicated in annex V, as at 21 December 1995, a total of 482 personnel were provided to the United Nations by Governments and other entities for varying periods of time. While the expertise and assistance provided by such personnel is useful, the Advisory Committee cautions against the potential danger of losing institutional memory in certain important functions unique to programmes and activities of the United Nations. The Committee also calls for broader geographical representation in this category of personnel.

31. As can be seen from the table in annex IV, of the 834 projected vacancies, there were already 673 vacancies by 31 March 1996 (440 Professional and 233 General Service posts). It thus appears to the Advisory Committee that the required vacancy rate can be achieved through such methods as attrition, enforcement of the retirement age, freeze on recruitment and lateral deployment of staff. In view of the current financial situation of the Organization, the implementation of early separation of staff or "buy-outs" would appear to be of minimal utility insofar as achieving cost savings is concerned. If the programme of voluntary and involuntary separations is instead related to improving the overall quality of the staff, in the opinion of the Committee, it is not currently designed to meet that goal.

32. Moreover, the report does not clearly indicate the financial implications related to buy-outs or to the issue of involuntary separation of staff. In this connection, the Advisory Committee was informed that an amount of $25.5 million was obligated in the biennium 1994-1995 under common staff costs. Of that amount, a total of $4.5 million was paid out in 1995; the balance was paid out in 1996. The Committee requested, but was not provided with, a complete analysis of the buy-out programme, including the number of applicants and those accepted by grade, length of service and duty station; the Committee requests that this information be provided to the General Assembly. With regard to the biennium 1996-1997, the Committee was informed that it was estimated that an initial amount of up to $15 million of common staff cost resources would be allocated to provide for indemnity payments arising under the 1996 early separation programme.

33. Given what has been stated by the Advisory Committee on the vacancies and the role of the buy-out programme in this exercise (especially for staff in the Professional category), the General Assembly may wish to consider whether such an expenditure would be necessary and, if not, whether the Secretary-General could be requested to consider possible savings under common staff costs as part of the $104 million savings requirement.

34. It is the understanding of the Advisory Committee that the 834 posts identified by the Secretary-General in annex IV will be kept unfunded for the biennium 1996-1997. The General Assembly, in the context of its consideration of the reports referred to above, and based on the proposals of the Secretary-General, would therefore have to decide on the future of those vacant posts as well as on any activities that may be postponed (see paras. 40 and 41 below). These considerations will have an impact on the preparation of the outline for the biennium 1998-1999.

35. The Advisory Committee notes the comments with regard to efficiency reviews in the report of the Secretary-General. The representatives of the Secretary-General informed the Committee of the intention to redeploy some staff between

budget sections in order to mitigate the impact of cost reductions in certain areas. It is the understanding of the Committee, based on assurances by the representatives of the Secretary-General, that those who have not undergone regular recruitment procedures will not be considered for redeployment. The Committee notes the statement of the Secretary-General in paragraph 21 of his report that, as a result of the efficiency reviews, some of the impact of the reductions in services and programme may be mitigated.

36. The Advisory Committee requested information on the role and terms of reference of the Efficiency Board and the Advisory Panel on Management and Finance (see annex VI to the present document). The Committee inquired as to whether there were any budgetary implications of support and other services provided to the Board, but was not able to assure itself that there was no impact on the regular budget. The Committee cautions against the establishment of yet another layer of bureaucracy to deal with reviews and evaluation of United Nations operations. In this connection, it was assured that it was not the intention to institutionalize the Board. The Committee requests that the General Assembly be informed of all voluntary contributions to the exercise both in cash and in kind.

37. The Advisory Committee agrees in particular with the comments of the Secretary-General in paragraphs 9 and 10 of his report regarding the overall objective of efficiency reviews. However, it is of the opinion that the primary purpose of the efficiency reviews should be geared more towards the efficient long-term operation of the Organization's activities rather than towards the short-term goal of cost-cutting. In that connection, the Committee was assured by the representatives of the Secretary-General that the identification of savings greater than those mandated by the General Assembly was not the primary purpose of such efficiency reviews. As indicated in paragraph 17 above, the Committee believes that, in order to realize long-term efficiency gains, it is also necessary to invest in technology so as to increase productivity in the delivery of programmes and services. In this connection, the Committee has noted the absence of a long-term coordinated strategy to achieve greater efficiency and effectiveness in United Nations operations through technological innovation. It recommends that such a strategy be developed as a matter of urgency and that a time-frame for the coordinated implementation of the various initiatives now under way be submitted in the context of the proposed programme budget for the biennium 1998-1999.

38. Furthermore, the Advisory Committee recalls the information it had received during its examination of the proposed programme budget for the biennium 1996-1997. The Committee had been informed that phase one of a three-phased approach launched by the Secretary-General was initiated as part of the preparation of the budget and involved identification of cost-effective measures from which efficiency gains could be realized without having a negative impact on the implementation of mandates. Savings in the amount of $35.5 million were achieved through a combination of measures including streamlining of structures and simplification of work procedures. Phase two would involve the identification of areas where duplication and overlap might exist and a third phase would comprise a review of activities and services that were being undertaken but were deemed to be of minimal or no value; these would be brought to the attention of the General Assembly for appropriate decision. At the time, the Committee had noted that it had been difficult to pinpoint exactly how and where all the efficiency gains had arisen. In this connection, the Committee reiterates its comment that reporting on measures to enhance the performance of the Organization (or, as in this instance, to achieve savings) should be much

more specific and contain sufficient and clear information to show that those measures do indeed represent improved productivity and sustainable gains.

Conclusion

39. It is evident from the report of the Secretary-General, the summary therein and testimony of his representatives that reductions of the magnitude called for cannot be achieved without service reductions and delays in and postponement of programmes. Deterioration in quality of services and timeliness of delivery will also be involved. The Advisory Committee believes therefore that the most important fact to be considered is the difficulty in fully implementing General Assembly resolution 50/214 as envisaged.

40. Moreover, it is not at all clear to the Advisory Committee that the projected level of $140 million in savings forecast in the report of the Secretary-General can actually be achieved. In this connection, the Committee points out that potential savings have been expressed as ranges - the total of $140 million represents the mid-point; the level of $140 million has also been described by the representatives of the Secretary-General as being preliminary. If the paramount goal is to achieve cost reductions of the magnitude thus far specified, then to avoid a general deterioration in the quality of virtually everything the United Nations now does, a review of programmes must begin, so as to allow priority activities to be carried out. The Committee believes that the relevant intergovernmental bodies should review the programme of work for the biennium 1996-1997 with a view to providing the Secretary-General with clear guidance for inclusion in his next report.

41. In this connection, for a number of years the Advisory Committee has pointed to the need for the greater involvement of specialized bodies in the planning and programming process in the area of their respective competence (see for example paras. 71 and 72 of the Committee's first report on the proposed programme budget for the biennium 1996-1997[1]). In the opinion of the Committee, a dialogue must ensue and both the Secretariat and the relevant legislative bodies must know what to expect from each other in the coming months if the debate at the fifty-first session in the context of the next report of the Secretary-General on the matter is to produce real results.

42. As indicated above, in its resolution 50/214, the General Assembly specifically reaffirmed the budgetary process as approved in its resolution 41/213. In that regard, the Advisory Committee points out that projected requirements for additional expenditures related to peace and security are significant (see annex VII to the present document). Past experience has also shown that additional requirements due to the effects of currency fluctuation and inflation can have a major impact on the budget. The Committee has dealt with this subject from time to time over the years (see para. 51 of the first report on the proposed programme budget for the biennium 1996-1997[1]) and points to the need for a careful technical examination of these matters prior to a decision on any change in the manner in which they are now being dealt with. These important matters will have a significant impact not only on the current budget but also on the outline and proposed programme budget for the biennium 1998-1999, as well as on future budgets.

Notes

[1] Official Records of the General Assembly, Fiftieth Session, Supplement No. 7 and corrigendum (A/50/7 and Corr.1).

ANNEX I

Proposed programme budget for the biennium 1996-1997

(Thousands of United States dollars)

Proposed budget	2 510 153.7
Advisory Committee on Administrative and Budgetary Questions	(18 511.1)
Recosting	266 754.7
Department of Peacekeeping Operations: delete support account posts	(1 283.6)
International Court of Justice: extension of premises	331.4
Africa: critical economic situation, recovery and development One new P-5 post, one new General Service post (Other level)	246.3
Department for Economic and Social Information and Policy Analysis: one new P-5 post (Population)	162.8
Department for Development Support and Management Services: posts remain at Geneva instead of being transferred to New York	665.5
United Nations Conference on Trade and Development: one new P-4 post	178.0
United Nations Environment Programme: maintain one P-5 post	296.9
Crime control: one new P-3 post	132.3
Crime control: upgrade one D-2 post	20.1
International drug control: one new P-3 post	132.3
Economic Commission for Latin America and the Caribbean: one new P-4 post (Social development, Drugs)	140.9
Regular programme of technical cooperation	(5 517.6)
Department of Humanitarian Affairs: endorses proposals of the Secretary-General	478.5
Conference services (Vienna)	522.2
Administration and management: delete posts from the support account	(1 120.8)
Administration and management: maintain language coordinator and teacher posts	527.1
Construction, alteration, improvement and major maintenance	(12 000.0)
International Seabed Authority	532.2
Vacancy rate	(50 199.2)

Programme budget implications:	
Central American peace process (A/C.5/50/36)	381.2
Situation in Central America - El Salvador (A/C.5/50/14)	991.9
Afghanistan (Office of the Secretary-General in Afghanistan and special mission) (A/C.5/50/42)	2 953.6
Special session of the General Assembly (A/C.5/50/43)	197.4
International Commission of Inquiry - Burundi (A/C.5/50/45)	1 259.8
Situation in Burundi (A/C.5/50/48)	2 043.0
Follow-up to Beijing conference (A/C.5/50/44)	433.4
Revised estimates:	
Economic and Social Council (A/C.5/50/31)	618.8
Human rights in Haiti (International Civilian Mission to Haiti) (A/C.5/50/25)	2 321.1
United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (A/C.5/50/26)	7 679.6
International Commission of Inquiry - Rwanda (A/C.5/50/27)	742.8
Subtotal	2 712 265.2
Anticipated reductions	(103 991.2)
Appropriations	2 608 274.0

ANNEX II

Distribution of 1994-1995 revised appropriations, 1996-1997 initial budget and preliminary estimated reductions

(Thousands of United States dollars)

Expenditure section	Posts	Other staff costs	Consultants and experts	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Other	Total
1. Overall policy-making, direction and coordination										
1994-1995	19 871.8	3 404.6	180.3	5 306.1	4 192.0	1 039.0	199.1	470.2	2 555.4	37 218.5
1996-1997	21 913.4	4 320.3	189.0	6 245.4	3 614.1	1 005.9	213.4	399.8	2 978.0	40 879.3
Preliminary estimated reduction	(139.8)	(324.0)	(50.0)	(88.8)	(62.3)	(132.6)	(140.0)	(348.6)	(10.2)	(1 296.3)
2. Political affairs										
1994-1995	49 465.7	1 216.1	1 694.3	3 193.6	1 090.8	1 672.3	202.8	1 583.6	2 040.5	62 159.7
1996-1997	49 405.9	2 215.7	1 693.4	2 960.6	958.0	1 663.9	217.4	1 058.9	1 644.7	61 818.5
Preliminary estimated reduction	(1 615.0)	(172.0)	(267.4)	(348.5)	(456.1)	(92.5)	(36.8)	(139.4)	(207.1)	(3 334.8)
3. Peace-keeping operations and special missions										
1994-1995	77 502.2	14 821.6	475.7	12 912.2	323.0	15 078.4	2 390.6	8 389.2	329.0	132 221.9
1996-1997	62 735.7	18 769.4	376.0	5 115.4	114.9	11 521.0	2 429.7	4 261.4	-	105 323.5
Preliminary estimated reduction	(3 058.0)	(872.8)	(167.8)	(211.5)	(20.0)	(735.1)	(107.8)	(943.7)	-	(6 116.7)
4. Outer space affairs										
1994-1995	3 375.9	-	34.3	95.0	-	-	5.1	-	446.2	3 956.5
1996-1997	4 016.9	15.2	40.3	111.6	-	3.6	5.9	35.5	524.2	4 753.2
Preliminary estimated reduction	(58.7)	-	(20.3)	(12.6)	-	-	-	(25.5)	(141.8)	(258.9)
5. International Court of Justice										
1994-1995	10 786.4	945.5	86.8	113.5	5 161.5	1 741.9	266.8	213.6	-	19 316.0
1996-1997	8 715.1	8 416.4	50.4	112.6	962.7	2 368.2	332.7	622.5	-	21 580.6
Preliminary estimated reduction	(141.2)	(24.1)	-	-	(476.4)	(154.1)	-	(155.0)	-	(950.8)

Expenditure section	Posts	Other staff costs	Consultants and experts	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Other	Total
6. Legal activities										
1994-1995	23 112.6	1 148.7	528.0	2 533.3	2 390.9	782.4	85.8	509.2	341.6	31 432.5
1996-1997	24 611.7	694.4	716.9	2 798.3	1 650.2	275.3	47.0	879.9	358.2	32 031.9
Preliminary estimated reduction	(894.1)	(36.0)	(100.0)	(60.0)	(511.0)	-	-	(55.0)	(35.8)	(1 691.9)
7A. Department for Policy Coordination and Sustainable Development										
1994-1995	35 226.3	3 946.7	2 045.6	3 950.6	739.5	1 084.4	171.8	268.1	656.5	48 089.5
1996-1997	[illegible]	493.5	1 408.9	3 953.7	302.0	901.1	114.3	348.5	656.5	44 945.2
Preliminary estimated reduction	(1 021.3)	(200.3)	(208.7)	(400.0)	(207.5)	(144.0)	(14.9)	(50.7)	(131.3)	(2 378.7)
7B. Africa: Critical economic situation, recovery and development										
1994-1995	2 260.2	269.6	426.4	200.3	275.3	15.2	20.1	-	-	3 467.1
1996-1997	3 014.2	319.7	450.9	213.1	309.5	16.0	21.1	-	-	4 344.5
Preliminary estimated reduction	92.4	(40.4)	-	(10.0)	(42.0)	-	-	-	-	-
8. Department for Economic and Social Information and Policy Analysis										
1994-1995	41 911.8	774.2	868.7	852.8	692.9	809.0	83.1	233.4	-	46 225.9
1996-1997	45 460.4	301.1	853.6	637.5	653.7	923.8	65.5	580.3	-	49 475.9
Preliminary estimated reduction	(2 418.0)	(30.1)	(85.4)	(63.8)	(65.4)	(92.4)	(6.6)	(29.5)	-	(2 791.2)
9. Department for Development Support and Management Services										
1994-1995	23 579.1	305.0	502.8	856.2	22.5	531.6	32.7	131.5	-	25 961.4
1996-1997	24 705.1	319.8	472.7	952.4	23.6	557.3	34.3	138.0	-	27 203.2
Preliminary estimated reduction	(548.7)	-	-	-	-	-	-	-	-	(548.7)

Expenditure section	Posts	Other staff costs	Consultants and experts	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Other	Total
10A. United Nations Conference on Trade and Development										
1994-1995	99 687.1	1 089.2	3 021.1	2 773.4	849.6	3 237.7	1 435.5	1 486.2	-	113 579.8
1996-1997	109 726.1	1 243.4	3 446.5	2 689.9	886.2	3 720.5	1 757.5	675.0	-	124 145.1
Preliminary estimated reduction	(6 645.4)	-	(300.7)	(63.4)	-	-	-	(91.9)	-	(7 101.4)
10B. International Trade Centre UNCTAD/GATT										
1994-1995	-	-	-	-	-	-	-	-	20 942.3	20 942.3
1996-1997	-	-	-	-	-	-	-	-	21 642.0	21 642.0
Preliminary estimated reduction	-	-	-	-	-	-	-	-	(400.0)	(400.0)
11. United Nations Environment Programme										
1994-1995	7 143.7	1 705.8	298.9	350.6	29.5	103.1	56.8	-	-	9 688.4
1996-1997	7 197.5	1 529.4	280.6	313.9	38.3	179.7	52.8	3.0	-	9 595.2
Preliminary estimated reduction	(504.1)	(30.1)	(20.0)	-	-	-	-	-	-	(554.2)
12. United Nations Centre for Human Settlements (Habitat)										
1994-1995	10 875.6	1 891.6	348.4	198.3	64.8	130.8	28.4	20.2	-	13 558.1
1996-1997	10 552.6	1 718.2	363.1	223.5	80.1	163.5	29.5	5.0	-	13 135.5
Preliminary estimated reduction	(633.1)	(26.4)	-	-	-	-	-	-	-	(659.5)
13. Crime control										
1994-1995	3 603.2	505.2	224.9	361.8	34.8	11.1	-	98.7	-	4 839.7
1996-1997	4 471.1	218.7	218.3	304.0	40.8	-	-	54.1	-	5 307.0
Preliminary estimated reduction	(127.6)	(45.1)	(70.0)	-	-	-	-	(34.0)	-	(276.7)

Expenditure section	Posts	Other staff costs	Consultants and experts	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Other	Total
14. International drug control										
1994-1995	11 836.6	239.1	813.0	1 130.6	421.7	24.0	179.2	49.7	-	14 693.9
1996-1997	14 277.5	344.7	780.0	1 382.9	394.4	71.3	210.6	113.6	-	17 575.0
Preliminary estimated reduction	(552.8)	-	(178.0)	(210.0)	-	-	-	-	-	(940.8)
15. Economic Commission for Africa										
1994-1995	53 744.9	2 982.0	1 090.9	2 557.7	1 588.7	5 097.4	2 297.1	1 151.7	1 147.2	71 657.6
1996-1997	68 179.7	3 243.1	1 131.7	2 759.6	1 766.0	6 256.2	2 472.7	1 520.5	1 147.2	88 476.7
Preliminary estimated reduction	(2 561.4)	(300.0)	(100.0)	(252.0)	(503.0)	(600.0)	(200.0)	-	-	(4 516.4)
16. Economic and Social Commission for Asia and the Pacific										
1994-1995	51 668.6	914.2	625.6	1 149.7	556.3	4 402.8	719.5	1 241.7	-	61 278.4
1996-1997	56 744.6	995.9	558.3	1 218.5	637.2	4 926.8	804.2	1 639.2	-	67 524.7
Preliminary estimated reduction	(3 657.1)	-	-	-	-	-	-	(93.0)	-	(3 750.1)
17. Economic Commission for Europe										
1994-1995	45 204.8	158.2	389.1	613.3	345.7	209.9	90.4	367.9	-	47 379.3
1996-1997	51 371.1	175.4	415.1	743.8	239.5	425.9	107.0	555.4	-	54 033.2
Preliminary estimated reduction	(3 176.0)	-	-	-	(4.9)	(5.1)	-	-	-	(3 186.0)
18. Economic Commission for Latin America and the Caribbean										
1994-1995	62 470.0	1 297.8	746.7	1 376.4	865.1	9 875.9	1 204.5	1 143.0	-	78 979.4
1996-1997	72 935.6	1 576.6	819.5	1 726.0	1 072.0	9 536.7	1 401.7	1 363.8	-	90 431.9
Preliminary estimated reduction	(4 041.0)	(213.4)	(45.0)	(41.5)	-	(680.4)	(38.0)	(40.0)	-	(5 099.3)

Expenditure section	Posts	Other staff costs	Consultants and experts	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Other	Total
19. Economic and Social Commission for Western Asia										
1994-1995	28 846.8	175.9	756.1	522.9	452.9	3 119.5	548.2	790.8	-	35 213.1
1996-1997	31 513.9	196.9	774.9	517.9	477.5	3 362.2	586.1	845.5	-	38 274.9
Preliminary estimated reduction	(2 105.6)	-	-	-	-	-	-	-	-	(2 105.6)
20. Regular programme of technical cooperation										
1994-1995	-	-	-	-	-	-	-	-	44 814.7	44 814.7
1996-1997	-	-	-	-	-	-	-	-	44 814.7	44 814.7
Preliminary estimated reduction	-	-	-	-	-	-	-	-	(7 438.8)	(7 438.8)
21. Human rights										
1994-1995	28 754.9	4 814.1	181.0	7 529.9	560.9	1 516.0	95.5	235.3	20.6	43 708.2
1996-1997	37 826.3	3 577.4	169.2	10 179.0	504.0	996.4	107.8	207.6	73.2	53 640.9
Preliminary estimated reduction	(1 200.5)	(197.9)	(32.0)	(1 060.5)	(139.0)	(84.7)	-	-	-	(2 714.6)
22. Office of the United Nations High Commissioner for Refugees										
1994-1995	47 752.9	819.8	-	-	-	-	-	-	-	48 572.7
1996-1997	55 063.4	969.7	-	-	-	-	-	-	-	56 033.1
Preliminary estimated reduction	(2 570.2)	(898.9)	-	-	-	-	-	-	-	(3 469.1)
23. United Nations Relief and Works Agency for Palestine Refugees in the Near East										
1994-1995	21 328.9	21.4	-	-	-	-	-	-	-	21 350.3
1996-1997	22 713.8	22.4	-	-	-	-	-	-	-	22 736.2
Preliminary estimated reduction	(1 391.6)	-	-	-	-	-	-	-	-	(1 391.6)

Expenditure section	Posts	Other staff costs	Consultants and experts	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Other	Total
24. Department of Humanitarian Affairs										
1994-1995	14 086.8	553.0	352.1	1 138.8	453.5	669.3	83.6	458.2	1 239.4	19 034.7
1996-1997	15 910.6	657.7	306.9	1 311.6	540.2	896.2	119.2	363.3	1 200.0	21 305.7
Preliminary estimated reduction	(774.8)	-	(54.2)	(50.0)	(62.2)	(102.6)	(23.5)	(29.3)	-	(1 096.6)
25. Public information										
1994-1995	96 727.2	2 468.9	-	1 745.6	13 663.3	9 242.1	3 797.8	3 284.0	513.7	131 442.6
1996-1997	105 054.3	1 925.3	-	1 424.7	14 317.9	10 324.0	4 000.3	2 908.2	326.4	140 281.1
Preliminary estimated reduction	(5 466.8)	(33.1)	-	(204.8)	(1 271.2)	(343.5)	(174.5)	(111.6)	-	(7 605.5)
26. Administration and management										
1994-1995	579 929.5	72 869.0	239.6	1 429.5	27 365.4	161 674.0	20 288.0	15 216.4	24 017.3	903 028.7
1996-1997	655 812.8	80 915.5	511.9	1 563.9	32 637.5	163 031.4	18 368.4	14 892.9	13 346.2	981 080.5
Preliminary estimated reduction	(26 867.4)	(7 788.0)	(162.2)	(287.2)	(1 625.7)	(1 331.3)	(1 154.2)	(5 058.9)	(1 642.5)	(45 917.4)
26A. Office of the Under-Secretary-General for Administration and Management										
1994-1995	10 972.8	170.8	-	74.4	17.5	254.5	-	140.1	-	11 630.1
1996-1997	11 984.1	373.0	-	273.8	18.3	156.5	-	96.5	-	12 902.2
Preliminary estimated reduction	(490.4)	-	-	(73.8)	(1.3)	(31.5)	-	(7.1)	-	(604.1)
26B. Office of Programme Planning, Budget and Accounts										
1994-1995	17 768.5	516.4	40.1	134.0	373.8	608.8	22.4	192.1	-	19 656.1
1996-1997	18 589.9	429.0	36.8	77.6	685.9	451.8	23.6	275.2	-	20 569.8
Preliminary estimated reduction	(808.3)	-	(6.5)	(41.1)	(342.5)	(5.0)	-	(3.1)	-	(1 206.5)

Expenditure section	Posts	Other staff costs	Consultants and experts	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Other	Total
26C. Office of Human Resources Management										
1994-1995	24 329.4	1 015.2	92.5	657.6	9 784.4	798.3	283.1	771.5	-	37 732.0
1996-1997	26 881.2	1 081.9	97.0	634.9	11 366.7	412.6	312.9	454.0	-	41 241.2
Preliminary estimated reduction	(547.8)	-	(21.0)	(91.0)	(900.4)	-	-	(58.0)	-	(1 618.2)
26D. Support services, Headquarters										
1994-1995	75 835.7	7 585.2	-	278.8	10 070.7	114 790.5	4 878.6	4 389.6	-	217 829.1
1996-1997	77 566.5	7 261.9	271.8	287.4	9 837.0	109 867.2	3 913.3	3 933.0	-	212 938.1
Preliminary estimated reduction	(4 356.9)	-	(50.0)	(5.6)	(72.0)	(438.7)	(100.0)	(2 110.6)	-	(7 133.8)
26E. Conference services										
1994-1995	342 795.6	57 942.4	88.4	170.6	4 009.4	5 052.5	11 682.1	6 059.9	15 383.1	443 184.0
1996-1997	399 229.1	64 687.2	83.7	166.7	6 491.9	5 038.1	10 442.4	6 183.9	2 967.2	495 290.2
Preliminary estimated reduction	(12 433.0)	(7 943.1)	(83.7)	(71.9)	0.2	(152.5)	(923.3)	(2 650.0)	(715.3)	(24 972.6)
26F. Administration, Geneva										
1994-1995	80 045.5	3 916.8	-	58.1	2 992.0	27 343.6	2 091.9	1 071.0	2 596.1	120 115.0
1996-1997	87 310.2	4 879.1	-	61.5	4 105.7	32 375.5	2 182.1	1 247.5	3 077.2	135 238.8
Preliminary estimated reduction	(6 737.7)	316.8	-	(1.8)	(288.0)	(460.0)	(81.1)	(11.3)	-	(7 263.1)
26G. Administration, Vienna										
1994-1995	20 402.1	1 242.4	-	28.8	12.5	10 822.5	982.9	2 281.1	6 038.1	41 810.4
1996-1997	27 086.5	1 561.3	-	30.5	14.7	11 724.7	1 082.2	2 188.4	7 301.8	50 990.1
Preliminary estimated reduction	(1 135.0)	(131.7)	-	-	(14.7)	(139.9)	(9.8)	(173.8)	(927.2)	(2 532.1)

Expenditure section	Posts	Other staff costs	Consultants and experts	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Other	Total
26H. Administration, Nairobi										
1994-1995	7 692.2	567.5	18.6	27.2	105.1	2 003.3	347.0	311.1	-	11 072.0
1996-1997	7 165.3	642.1	22.6	31.5	117.3	3 005.0	411.9	514.4	-	11 910.1
Preliminary estimated reduction	(358.3)	(30.0)	(1.0)	(2.0)	(7.0)	(103.7)	(40.0)	(45.0)	-	(587.0)
27. Jointly financed administrative activities										
1994-1995	14 390.7	319.5	254.4	1 598.3	594.1	1 689.7	60.1	140.3	8 174.1	27 221.2
1996-1997	15 812.4	849.5	301.4	1 724.1	31.7	1 745.1	81.0	147.1	8 501.2	29 193.5
Preliminary estimated reduction	474.0	-	-	-	-	-	-	-	(752.5)	(278.4)
28. Special expenses										
1994-1995	-	30 964.1	5.7	96.5	7.3	1 700.5	-	21.0	-	32 795.1
1996-1997	-	39 350.1	-	-	-	1 358.4	-	-	993.2	41 701.7
Preliminary estimated reduction	-	(12.9)	-	-	-	-	-	-	(31.8)	(44.7)
29. Office of Internal Oversight Services										
1994-1995	11 080.4	64.3	72.1	357.6	89.8	151.5	22.2	189.8	-	12 027.7
1996-1997	14 300.8	118.5	211.0	597.8	31.4	156.1	80.2	402.3	-	15 898.1
Preliminary estimated reduction	122.5	-	(25.0)	(47.5)	-	-	-	(50.0)	-	-
30. Technological innovations										
1994-1995	-	436.7	-	-	4 397.6	1 743.2	-	3 860.7	14 960.1	25 398.3
1996-1997	-	3 575.3	-	-	2 598.0	3 703.0	-	155.7	11 967.6	21 999.6
Preliminary estimated reduction	-	-	-	-	-	(77.2)	-	-	(626.6)	(703.8)

Expenditure section	Posts	Other staff costs	Consultants and experts	Travel	Contractual services	General operating expenses	Supplies and materials	Furniture and equipment	Other	Total
31. Construction, alteration, improvement and major maintenance										
1994-1995	-	-	-	-	-	-	-	-	58 447.1	58 447.1
1996-1997	-	-	-	-	-	-	-	-	31 585.4	31 585.4
Preliminary estimated reduction	-	-	-	-	-	-	-	-	(2 000.0)	(2 000.0)
32. Staff assessment										
1994-1995	-	-	-	-	-	-	-	-	357 798.1	357 798.1
1996-1997	-	-	-	-	-	-	-	-	378 337.2	378 337.2
Preliminary estimated reduction	-	-	-	-	-	-	-	-	(19 323.3)	(19 323.3)
33. International Seabed Authority										
1994-1995	-	-	-	-	-	-	-	-	776.0	776.0
1996-1997	-	-	-	-	-	-	-	-	1 308.2	1 308.2
Preliminary estimated reduction	-	-	-	-	-	-	-	-	(65.0)	(65.0)
Total										
1994-1995	1 507 101.0	120 245.4	16 262.5	54 944.5	67 229.4	227 352.7	34 364.7	41 554.4	539 219.8	2 608 274.4
1996-1997	1 630 340.7	179 268.9	16 830.4	51 680.7	64 971.4	230 079.5	33 660.2	34 177.0	521 404.1	2 762 412.9
Preliminary estimated reduction	(71 481.2)	(11 245.5)	(1 886.7)	(3 412.2)	(5 446.7)	(4 575.5)	(1 896.3)	(7 256.1)	(32 806.7)	(140 006.8)

ANNEX III

Preliminary estimate of reductions

(Millions of United States dollars)

Section	Initial budget a	Estimated reduction b	Percentage b/a
All sections			
Posts	1 630.3	71.5	4
Non-posts	753.7	49.2	7
Staff assessment	378.3	19.3	5
Total	2 762.4	140.0	5
Section 1			
Posts	21.9	0.1	1
Non-posts	19.0	1.2	6
Total	40.9	1.3	3
Section 2			
Posts	49.4	1.6	3
Non-posts	12.4	1.7	14
Total	61.8	3.3	5
Section 3			
Posts	62.7	3.1	5
Non-posts	42.6	3.1	7
Total	105.3	6.1	6
Section 4			
Posts	4.0	0.1	1
Non-posts	0.7	0.2	27
Total	4.8	0.3	5
Section 5			
Posts	8.7	0.1	2
Non-posts	12.9	0.8	6
Total	21.6	1.0	4
Section 6			
Posts	24.6	0.9	4
Non-posts	7.4	0.8	11
Total	32.0	1.7	5

Section	Initial budget a	Estimated reduction b	Percentage b/a
Section 7A			
Posts	36.3	1.0	3
Non-posts	8.6	1.4	16
Total	44.9	2.4	5
Section 7B			
Posts	3.0	(0.1)	-3
Non-posts	1.3	0.1	7
Total	4.3	—	—
Section 8			
Posts	45.5	2.4	5
Non-posts	4.0	0.4	9
Total	49.5	2.8	6
Section 9			
Posts	24.7	0.5	2
Non-posts	2.5	—	—
Total	27.2	0.5	2
Section 10A			
Posts	109.7	6.6	6
Non-posts	14.4	0.5	3
Total	124.1	7.1	6
Section 10B			
Posts	—	—	—
Non-posts	21.6	0.4	2
Total	21.6	0.4	2
Section 11			
Posts	7.2	0.5	7
Non-posts	2.4	0.1	2
Total	9.6	0.6	6
Section 12			
Posts	10.6	0.6	6
Non-posts	2.6	—	1
Total	13.1	0.7	5

Section	Initial budget a	Estimated reduction b	Percentage b/a
Section 13			
Posts	4.5	0.1	3
Non-posts	0.8	0.1	18
Total	5.3	0.3	5
Section 14			
Posts	14.3	0.6	4
Non-posts	3.3	0.4	12
Total	17.6	0.9	5
Section 15			
Posts	68.2	2.6	4
Non-posts	20.3	2.0	10
Total	88.5	4.5	5
Section 16			
Posts	56.7	3.7	6
Non-posts	10.8	0.1	1
Total	67.5	3.8	6
Section 17			
Posts	51.4	3.2	6
Non-posts	2.7	—	—
Total	54.0	3.2	6
Section 18			
Posts	72.9	4.0	6
Non-posts	17.5	1.1	6
Total	90.4	5.1	6
Section 19			
Posts	31.5	2.1	7
Non-posts	6.8	—	—
Total	38.3	2.1	6
Section 20			
Posts	—	—	—
Non-posts	44.8	7.4	17
Total	44.8	7.4	17

Section	Initial budget a	Estimated reduction b	Percentage b/a
Section 21			
Posts	37.8	1.2	3
Non-posts	15.8	1.5	10
Total	53.6	2.7	5
Section 22			
Posts	55.1	2.6	5
Non-posts	1.0	0.9	93
Total	56.0	3.5	6
Section 23			
Posts	22.7	1.4	6
Non-posts	—	—	—
Total	22.7	1.4	6
Section 24			
Posts	15.9	0.8	5
Non-posts	5.4	0.3	6
Total	21.3	1.1	5
Section 25			
Posts	105.1	5.5	5
Non-posts	35.2	2.1	6
Total	140.3	7.6	5
Section 26A			
Posts	12.0	0.5	4
Non-posts	0.9	0.1	12
Total	12.9	0.6	5
Section 26B			
Posts	18.6	0.8	4
Non-posts	2.0	0.4	20
Total	20.6	1.2	6
Section 26C			
Posts	26.9	0.5	2
Non-posts	14.4	1.1	7
Total	41.2	1.6	4

Section	Initial budget a	Estimated reduction b	Percentage b/a
Section 26D			
Posts	77.6	4.4	6
Non-posts	135.4	2.8	2
Total	212.9	7.1	3
Section 26E			
Posts	399.2	12.4	3
Non-posts	96.1	12.5	13
Total	495.3	25.0	5
Section 26F			
Posts	87.3	6.7	8
Non-posts	47.9	0.5	1
Total	135.2	7.3	5
Section 26G			
Posts	27.1	1.1	4
Non-posts	23.9	1.4	6
Total	51.0	2.5	5
Section 26H			
Posts	7.2	0.4	5
Non-posts	4.7	0.2	5
Total	11.9	0.6	5
Section 27			
Posts	15.8	(0.5)	-3
Non-posts	13.4	0.8	6
Total	29.2	0.3	1
Section 28			
Posts	—	—	—
Non-posts	41.7	—	—
Total	41.7	—	—
Section 29			
Posts	14.3	(0.1)	-1
Non-posts	1.6	0.1	8
Total	15.9	—	—

Section	Initial budget a	Estimated reduction b	Percentage b/a
Section 30			
Posts	–	–	–
Non-posts	22.0	0.7	3
Total	22.0	0.7	3
Section 31			
Posts	–	–	–
Non-posts	31.6	2.0	6
Total	31.6	2.0	6
Section 32			
Staff assessment	378.3	19.3	5
Section 33			
Posts	–	–	–
Non-posts	1.3	0.1	5
Total	1.3	0.1	5

ANNEX IV

Total post status

Vacancies as at 31 March 1996 and anticipated vacancies as at 31 December 1997

(Distribution of grade as at 31 December 1997 is for indicative planning purposes)

											General Service							
Section	Grand total	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional	Principal level	Other level	Security Service	Manual worker	Local level	Field Service	National officer	Total other
All sections																		
Authorized posts	10 021	25	15	83	270	721	1 185	1 150	512	3 961	297	3 365	179	223	1 779	167	50	6 060
Vacancies: 31/3/96	673	-	2	8	35	75	115	125	80	440	17	126	4	7	71	8	-	233
Anticipated: 31/12/97	834	-	1	7	23	68	65	96	71	331	25	279	14	30	137	15	3	503
Section 1																		
Authorized posts	122	2	2	3	8	14	10	6	4	49	10	62	1	-	-	-	-	73
Vacancies: 31/3/96	9	-	-	-	-	-	1	-	2	3	-	5	1	-	-	-	-	6
Anticipated: 31/12/97	8	-	-	-	-	3	1	-	-	4	-	3	1	-	-	-	-	4
Section 2																		
Authorized posts	281	1	2	10	18	41	41	29	13	155	12	114	-	-	-	-	-	126
Vacancies: 31/3/96	16	-	-	2	3	4	1	1	-	11	-	5	-	-	-	-	-	5
Anticipated: 31/12/97	24	-	-	2	5	5	1	-	-	13	1	10	-	-	-	-	-	11
Section 3																		
Authorized posts	432	3	3	6	8	14	9	4	8	55	1	26	2	-	197	151	-	377
Vacancies: 31/3/96	23	-	1	-	2	3	4	3	2	15	-	8	-	-	-	-	-	8
Anticipated: 31/12/97	22	-	-	-	-	-	1	-	-	1	-	-	-	-	12	9	-	21
Section 4																		
Authorized posts	19	-	-	1	1	2	4	4	1	13	-	6	-	-	-	-	-	6
Vacancies: 31/3/96	1	-	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-
Anticipated: 31/12/97	2	-	-	-	-	-	-	-	1	1	-	1	-	-	-	-	-	1
Section 5																		
Authorized posts	57	-	1	1	1	3	6	7	3	22	6	29	-	-	-	-	-	35
Vacancies: 31/3/96	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Anticipated: 31/12/97	3	-	-	-	-	1	-	-	1	2	-	1	-	-	-	-	-	1

Section	Grand total	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional	General Service Principal level	General Service Other level	Security Service	Manual worker	Local level	Field Service	National officer	Total other
Section 6																		
Authorized posts	145	1	-	3	9	19	16	19	13	80	7	58	-	-	-	-	-	65
Vacancies: 31/3/96	16	-	-	-	3	1	3	4	2	13	-	3	-	-	-	-	-	3
Anticipated: 31/12/97	11	-	-	-	2	1	-	3	-	6	-	5	-	-	-	-	-	5
Section 7A																		
Authorized posts	211	1	-	5	14	28	34	19	16	117	8	86	-	-	-	-	-	94
Vacancies: 31/3/96	24	-	-	1	3	5	4	2	5	20	-	4	-	-	-	-	-	4
Anticipated: 31/12/97	17	-	-	-	2	-	3	1	2	8	-	9	-	-	-	-	-	9
Section 7B																		
Authorized posts	18	-	-	1	1	4	1	4	-	11	1	6	-	-	-	-	-	7
Vacancies: 31/3/96	1	-	-	-	-	1	-	-	-	1	-	-	-	-	-	-	-	-
Anticipated: 31/12/97	1	-	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	1
Section 8																		
Authorized posts	280	1	-	4	13	29	41	36	26	150	29	101	-	-	-	-	-	130
Vacancies: 31/3/96	21	-	-	2	2	5	2	3	5	19	1	1	-	-	-	-	-	2
Anticipated: 31/12/97	31	-	-	-	-	10	2	5	2	19	6	6	-	-	-	-	-	12
Section 9																		
Authorized posts	158	1	-	2	7	14	19	14	4	61	6	91	-	-	-	-	-	97
Vacancies: 31/3/96	9	-	-	-	2	1	-	2	1	6	1	2	-	-	-	-	-	3
Anticipated: 31/12/97	9	-	-	-	-	1	1	-	-	2	1	6	-	-	-	-	-	7
Section 10																		
Authorized posts	448	1	-	8	25	55	59	74	37	259	12	173	-	-	4	-	-	189
Vacancies: 31/3/96	27	-	-	2	3	1	3	6	6	21	1	5	-	-	-	-	-	6
Anticipated: 31/12/97	58	-	-	3	9	6	6	6	9	39	4	15	-	-	-	-	-	19
Section 11																		
Authorized posts	43	1	-	3	1	7	8	2	1	23	1	5	-	-	14	-	-	20
Vacancies: 31/3/96	6	-	-	-	-	1	3	1	-	5	-	-	-	-	1	-	-	1
Anticipated: 31/12/97	3	-	-	-	-	1	1	-	-	2	-	-	-	-	1	-	-	1
Section 12																		
Authorized posts	73	1	-	1	3	6	14	14	5	44	-	2	-	-	27	-	-	29
Vacancies: 31/3/96	5	-	-	-	-	-	-	1	1	2	-	-	-	-	3	-	-	3
Anticipated: 31/12/97	12	-	-	-	-	-	-	6	1	7	-	-	-	-	5	-	-	5

Section	Grand total	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional	General Service		Security Service	Manual worker	Local level	Field Service	National officer	Total other
											Principal level	Other level						
Section 13																		
Authorized posts	22	-	-	1	-	2	6	6	1	16	1	5	-	-	-	-	-	6
Vacancies: 31/3/96	2	-	-	-	-	-	-	2	-	2	-	-	-	-	-	-	-	-
Anticipated: 31/12/97	2	-	-	-	-	-	1	-	-	1	-	1	-	-	-	-	-	1
Section 14																		
Authorized posts	73	1	-	1	2	6	13	13	9	45	3	25	-	-	-	-	-	28
Vacancies: 31/3/96	11	-	-	-	-	2	2	3	1	8	-	3	-	-	-	-	-	3
Anticipated: 31/12/97	5	-	-	-	-	1	1	2	-	4	-	1	-	-	-	-	-	1
Section 15																		
Authorized posts	614	1	-	1	18	42	59	78	30	229	-	3	-	-	379	3	-	385
Vacancies: 31/3/96	52	-	-	-	7	3	5	9	6	30	-	-	-	-	22	-	-	22
Anticipated: 31/12/97	54	-	-	-	1	3	2	6	5	17	-	-	-	-	37	-	-	37
Section 16																		
Authorized posts	515	1	-	1	12	27	59	56	31	187	-	-	-	-	325	3	-	328
Vacancies: 31/3/96	51	-	-	-	-	5	8	7	7	27	-	-	-	-	21	3	-	24
Anticipated: 31/12/97	49	-	-	1	1	7	2	7	2	20	-	-	-	-	27	2	-	29
Section 17																		
Authorized posts	211	1	-	1	9	21	30	34	22	118	7	86	-	-	-	-	-	93
Vacancies: 31/3/96	18	-	-	-	-	3	4	4	2	13	-	5	-	-	-	-	-	5
Anticipated: 31/12/97	19	-	-	-	1	2	2	1	7	13	1	5	-	-	-	-	-	6
Section 18																		
Authorized posts	532	1	-	1	13	30	57	48	34	184	-	-	-	-	345	3	-	348
Vacancies: 31/3/96	46	-	-	-	1	8	10	5	6	30	-	-	-	-	16	-	-	16
Anticipated: 31/12/97	48	-	-	-	-	3	5	2	8	18	-	-	-	-	30	-	-	30
Section 19																		
Authorized posts	293	1	-	1	8	19	33	27	16	105	-	-	-	-	185	3	-	188
Vacancies: 31/3/96	36	-	-	-	3	3	6	9	4	25	-	-	-	-	8	3	-	11
Anticipated: 31/12/97	21	-	-	-	-	-	1	1	5	7	-	-	-	-	11	3	-	14
Section 21																		
Authorized posts	159	1	1	-	6	13	29	35	15	100	1	58	-	-	-	-	-	59
Vacancies: 31/3/96	13	-	-	-	-	-	2	1	6	9	-	4	-	-	-	-	-	4
Anticipated: 31/12/97	15	-	-	-	-	-	2	2	7	11	-	4	-	-	-	-	-	4

Section	Grand total	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional	General Service		Security Service	Manual worker	Local level	Field Service	National officer	Total other
											Principal level	Other level						
Section 22																		
Authorized posts	244	1	1	2	10	19	14	27	15	89	4	151	-	-	-	-	-	155
Vacancies: 31/3/96	10	-	-	-	-	1	3	3	-	7	-	3	-	-	-	-	-	3
Anticipated: 31/12/97	20	-	-	-	-	2	3	2	-	7	-	13	-	-	-	-	-	13
Section 23																		
Authorized posts	92	1	1	1	10	16	36	15	2	82	-	10	-	-	-	-	-	10
Vacancies: 31/3/96	7	-	1	-	-	-	3	2	-	6	-	1	-	-	-	-	-	1
Anticipated: 31/12/97	7	-	1	-	-	-	3	2	-	6	-	1	-	-	-	-	-	1
Section 24																		
Authorized posts	75	1	-	4	5	10	10	9	6	45	3	27	-	-	-	-	-	30
Vacancies: 31/3/96	15	-	-	-	2	2	2	6	-	12	-	3	-	-	-	-	-	3
Anticipated: 31/12/97	6	-	-	-	-	2	-	1	1	4	-	2	-	-	-	-	-	2
Section 25																		
Authorized posts	922	-	1	4	20	46	73	86	60	290	10	258	-	-	214	-	50	532
Vacancies: 31/3/96	26	-	-	-	1	7	7	4	2	21	-	5	-	-	-	-	-	5
Anticipated: 31/12/97	68	-	-	-	1	6	8	7	4	26	-	25	-	-	14	-	3	42
Section 26A																		
Authorized posts	79	1	-	1	4	8	8	3	3	28	6	45	-	-	-	-	-	51
Vacancies: 31/3/96	2	-	-	-	-	1	-	-	-	1	-	1	-	-	-	-	-	1
Anticipated: 31/12/97	7	-	-	-	-	1	2	-	-	3	-	4	-	-	-	-	-	4
Section 26B																		
Authorized posts	127	-	1	2	4	6	14	16	9	52	8	67	-	-	-	-	-	75
Vacancies: 31/3/96	4	-	-	-	-	-	-	2	-	2	-	2	-	-	-	-	-	2
Anticipated: 31/12/97	11	-	-	-	-	-	2	2	1	5	-	6	-	-	-	-	-	6
Section 26C																		
Authorized posts	182	-	1	3	5	15	19	21	11	75	14	93	-	-	-	-	-	107
Vacancies: 31/3/96	10	-	-	1	1	1	3	-	2	8	1	1	-	-	-	-	-	2
Anticipated: 31/12/97	15	-	-	-	1	1	2	1	-	5	-	10	-	-	-	-	-	10
Section 26D																		
Authorized posts	642	-	1	2	6	14	18	19	16	76	17	250	176	123	-	-	-	566
Vacancies: 31/3/96	19	-	-	-	-	1	1	1	-	3	1	6	3	6	-	-	-	16
Anticipated: 31/12/97	61	-	-	-	-	-	3	2	2	7	3	15	13	23	-	-	-	54

Section	Grand total	USG	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	Total Professional	General Service		Security Service	Manual worker	Local level	Field Service	National officer	Total other
											Principal level	Other level						
Section 26E																		
Authorized posts	2 178	-	-	4	17	156	399	380	66	1 022	91	965	-	100	-	-	-	1 156
Vacancies: 31/3/96	136	-	-	-	-	9	31	34	15	89	8	38	-	1	-	-	-	47
Anticipated: 31/12/97	154	-	-	1	-	12	7	34	8	62	9	76	-	7	-	-	-	92
Section 26F																		
Authorized posts	429	-	-	1	3	10	10	14	19	57	20	351	-	-	-	1	-	372
Vacancies: 31/3/96	12	-	-	-	-	-	-	-	-	-	-	11	-	-	-	1	-	12
Anticipated: 31/12/97	50	-	-	-	-	-	2	2	4	8	-	42	-	-	-	-	-	42
Section 26G																		
Authorized posts	190	-	-	1	1	4	5	7	1	19	5	166	-	-	-	-	-	171
Vacancies: 31/3/96	8	-	-	-	-	-	-	-	-	-	-	8	-	-	-	-	-	8
Anticipated: 31/12/97	16	-	-	-	-	-	-	1	-	1	-	15	-	-	-	-	-	15
Section 26H																		
Authorized posts	110	-	-	-	1	3	5	6	3	18	-	-	-	-	89	3	-	92
Vacancies: 31/3/96	2	-	-	-	-	-	-	1	-	1	-	-	-	-	-	1	-	1
Anticipated: 31/12/97	2	-	-	-	-	-	-	-	1	1	-	-	-	-	-	1	-	1
Section 27 - International Civil Service Commission																		
Authorized posts	46	-	-	1	3	3	8	3	3	21	2	23	-	-	-	-	-	25
Vacancies: 31/3/96	4	-	-	-	1	2	-	-	1	4	-	-	-	-	-	-	-	-
Anticipated: 31/12/97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 27 - Joint Inspection Unit																		
Authorized posts	18	-	-	1	-	3	1	2	1	8	2	8	-	-	-	-	-	10
Vacancies: 31/3/96	1	-	-	-	-	-	-	-	-	-	1	-	-	-	-	-	-	1
Anticipated: 31/12/97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 29																		
Authorized posts	81	1	-	1	4	12	17	13	8	56	10	15	-	-	-	-	-	25
Vacancies: 31/3/96	30	-	-	-	1	5	7	8	4	25	3	2	-	-	-	-	-	5
Anticipated: 31/12/97	3	-	-	-	-	-	1	-	-	1	-	2	-	-	-	-	-	2

ANNEX V

Personnel provided to the United Nations by Governments and other entities, as at 21 December 1995

(By department and type of personnel)

Department	Non-reimbursable loan from: Government	Non-reimbursable loan from: Non-governmental organization	Special service agreement/$1	No-cost	Total	Percentage
Department for Development Support and Management Services			1		1	0.2
Department for Economic and Social Information and Policy Analysis			5		5	1.0
Department of Humanitarian Affairs			1		1	0.2
Department of Humanitarian Affairs, Geneva	9		63		72	14.9
Department of Political Affairs			4		4	0.8
Department for Policy Coordination and Sustainable Development	1		1	12	14	2.9
Department of Public Information				2	2	0.4
Department of Peacekeeping Operations				113	113	23.4
Economic Commission for Africa				3	3	0.6
Economic Commission for Latin America and the Caribbean	1				1	0.2
Executive Office of the Secretary-General			1		1	0.2
Economic and Social Commission for Asia and the Pacific	28				28	5.8
International Tribunal for Rwanda				35	35	7.3
International Tribunal for the former Yugoslavia	36	14		5	55	11.4
Office of Conference and Support Services				4	4	0.8
Office of Internal Oversight Services	5				5	1.0
United Nations Conference on Trade and Development	6		1		7	1.5
United Nations Environment Programme		1	7		8	1.7
United Nations Office at Vienna	1		4	13	18	3.7
United Nations Special Commission				105	105	21.8
Total	87	15	88	292	482	100.0
Percentage	18.0	3.1	18.3	60.6	100.0	

ANNEX VI

Respective roles and terms of reference of the Advisory Panel on Management and Finance and the Efficiency Board

1. In answer to a query by the Advisory Committee on Administrative and Budgetary Questions regarding the respective roles and terms of reference of the Advisory Panel on Management and Finance and of the Efficiency Board, the following information is provided.

2. The Advisory Panel on Management and Finance was established pursuant to the Secretary-General's bulletin ST/SGB/270 of 14 January 1994. It is chaired by the Under-Secretary-General for Administration and Management and its membership consists of the heads of departments and offices at Headquarters at the under-secretary-general and assistant secretary-general levels, a representative of the Secretary-General and the Controller. The Panel advises the Secretary-General on relevant policy issues relating to the effectiveness and efficiency of the administrative and financial functioning of the United Nations, mainly through the elaboration and implementation of the medium-term plan and the programme budget, with a view to ensuring coherent and unified management policy within the Organization. It also provides advice on financial, personnel and administrative implications of General Assembly actions for the programme budget, and for major policy issues in the area of management and finance that may arise during budget implementation, as well as regarding possible improvements to be introduced in the programme planning and budgeting process.

3. As the work of the Advisory Panel has evolved, an increasing need has been voiced for a stronger strategic planning capacity for management issues facing the Organization - a role that the Panel could also serve. Thus, while the Advisory Panel has traditionally met once a month, it recently agreed to meet twice monthly, one meeting to address immediate and ongoing management and financial issues and the other meeting to be devoted to discussions of major policy issues and the development of strategic directives.

4. The Efficiency Board was established pursuant to the Secretary-General's bulletin ST/SGB/281 of 30 November 1995 to provide advice to the Secretary-General as part of his overall management plan for the implementation of his programme for promoting efficiency. The Board, chaired by the Under-Secretary-General for Administration and Management and consisting of experts appointed in their individual capacity to reflect both in-house and external expertise, will make recommendations to the Secretary-General regarding his continuing efforts in effecting efficiencies throughout all of the programmes of the Organization. Based on studies and reviews, the Board will make recommendations to the Secretary-General on action to be taken to achieve those potential efficiency enhancements that can be attained without affecting mandated programme deliverables, as well as recommendations for his consideration and referral to Member States on those areas where mandated programmes are producing the least effective payback.

5. The recommendations of the Efficiency Board will be transmitted to the Secretary-General by the Under-Secretary-General for Administration and Management, as the Chairman of the Board, through the Advisory Panel on Management and Finance. This procedure will reinforce and expand the strategic capacity of the Advisory Panel.

6. This procedure was successfully followed in the preparation of the response of the Secretary-General to the budget reductions mandated by the General Assembly, where the findings of the Board enhanced the Panel's ability to formulate well-founded recommendations.

ANNEX VII

Estimated additional requirements for the biennium 1996-1997[a]

(Thousands of United States dollars)

	1996	1997	Total	Reference document
Peace and security (General Assembly resolution 41/213, annex I, para. 11)				
International Civilian Mission to Haiti (through 31 August 1996)	3 400	5 900	9 300	A/C.5/50/52
(1 September to 31 December)	1 600		1 600	
United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (through 31 December 1996)	21 100	28 100	49 200	A/C.5/50/53
Political presence in El Salvador	1 100	1 200	2 300	A/C.5/50/59
International Commission of Inquiry in Rwanda	1 000	2 300	3 300	A/C.5/50/60
International Commission of Inquiry in Burundi	4 900	5 200	10 100	
Situation in Afghanistan		2 800	2 800	
Situation in Burundi		2 000	2 000	
Central American peace process		400	400	
United Nations political presence in Rwanda	6 100	6 300	12 400	
Related staff assessment	3 900	4 600	8 500	
Subtotal	43 100	58 800	101 900	
Unforeseen and extraordinary expenses (General Assembly resolution 50/217)				
Peace and security	5 000	5 000	10 000	
International Court of Justice	100	100	200	
Subtotal	48 200	63 900	112 100	
Contingency fund				
International Seabed Authority		1 600[b]	1 600	
United Nations Framework Convention on Climate Change servicing	2 500	3 100	5 600	A/C.5/50/58
Revised estimates (Economic and Social Council)				
Commission on Narcotic Drugs	300	200	500	
Commission on Sustainable Development (Panel on Forests)		100	100	
Related staff assessment		100	100	
Subtotal	2 800	5 100	7 900	
Grand total	51 000	69 000	120 000	

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[a] Estimates are rounded to the nearest hundred thousand dollars.

[b] May be absorbed as offset against section 31 (Construction, alteration, improvement and major maintenance) project deferrals to be identified in addition to those incorporated in A/C.5/50/57 proposals (see General Assembly resolution 50/214, sect. III, para. 72).

ANNEX

Reports presented orally by the Chairman of the Advisory Committee on Administrative and Budgetary Questions at meetings of the Fifth Committee

The present list provides a reference to the summary records of the meetings of the Fifth Committee at which the Chairman of the Advisory Committee on Administrative and Budgetary Questions presented oral reports.

The left column indicates the item addressed in an oral report and the right column indicates the symbol of the document in which the summary record of the corresponding meeting appears.

Summary records of meetings of the Fifth Committee during the fiftieth session of the General Assembly have been published as Official Records of the General Assembly, Fiftieth Session, Fifth Committee, 1st to 69th meetings (A/C.5/50/SR.1-69), and corrigendum.

Item	Document symbol
Programme budget implications of draft resolution A/50/L.7/Rev.1 relating to the Mission of the United Nations in El Salvador (agenda item 45)	A/C.5/50/SR.11, paras. 49-52
Revised estimates: effect of changes in rates of exchange and inflation	A/C.5/50/SR.38, paras. 1-5
Funding of regional institutes from the regular budget of the United Nations	A/C.5/50/SR.40, paras. 116-119
Integrated Management Information System project: seventh progress report of the Secretary-General	A/C.5/50/SR.41, paras. 5-10
Revised estimates resulting from resolutions and decisions of the Economic and Social Council adopted at its organizational and substantive sessions of 1995	A/C.5/50/SR.41, para. 24
Request for a subvention to the Institute resulting from the recommendations of the Board of Trustees of the United Nations Institute for Disarmament Research	A/C.5/50/SR.41, para. 45
International Commission of Inquiry in Burundi	A/C.5/50/SR.41, paras. 56-62
Programme budget implications of draft resolution A/50/L.17/Rev.1 relating to the situation in Central America (agenda items 45 and 116)	A/C.5/50/SR.41, para. 67
Financing of the United Nations Observer Mission in Liberia	A/C.5/50/SR.42, paras. 22 and 23

Programme budget implications of draft resolution A/50/L.61 relating to the Conference of States Parties to the Convention on the Rights of the Child (agenda item 110)	A/C.5/50/SR.42, para. 27
Programme budget implications of draft resolution II relating to follow-up activities to the Fourth World Conference on Women, held at Beijing, submitted to the General Assembly for adoption by the Third Committee in its report contained in document A/50/816 (agenda item 165)	A/C.5/50/SR.42, para. 33
Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991	A/C.5/50/SR.42, paras. 51-53
Financing of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994	A/C.5/50/SR.42, para. 58
Revised estimates: second performance report	A/C.5/50/SR.43, paras. 1-12
Financing of the United Nations Assistance Mission for Rwanda	A/C.5/50/SR.43, paras. 39-46
Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters	A/C.5/50/SR.43, paras. 51-56
Programme budget implications of draft resolution A/50/L.59 relating to the International Commission of Inquiry in Burundi (agenda item 26)	A/C.5/50/SR.43, paras. 66-73
Contingency fund: consolidated statement of programme budget implications and revised estimates	A/C.5/50/SR.45, para. 23

Programme budget implications of draft resolution A/50/L.67 relating to the International Civilian Mission to Haiti (agenda item 38); and A/50/L.68 relating to the United Nations Mission for the Verification of Human Rights and of Compliance with the Commitments of the Comprehensive Agreement on Human Rights in Guatemala (agenda item 45)	A/C.5/50/SR.48, paras. 10-20
Programme budget implications of draft resolution A/50/L.72 relating to the United Nations Office of Verification in El Salvador (agenda item 45)	A/C.5/50/SR.56, paras. 81-84
Revised estimates under section 3 (Peace-keeping operations and special missions); section 32 (Staff assessment); and income section 1 (Income from staff assessment): Commission of Inquiry in Rwanda	A/C.5/50/SR.58, paras. 1-4